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WHAT DO THE FACTS REALLY SHOW?

This article was published by the daily newspaper „BORBA“ in the number of January 30, 1959. Because of the character of this article and the facts it brings on many aspects of the anti-Yugoslav campaign the Editorial Board of the „REVIEW OF INTERNATIONAL AFFAIRS“ believe that it may interest our readers. This is why we decided to publish this article taken in whole from „BORBA“.

THE 21st Congress of the Communist Party of the USSR, has, on the first day, heard the report of the 1st Secretary of the Central Committee and Premier of the Soviet government, Nikita Khrushchev. In the report, which was mainly dedicated to questions of the further economic development of the Soviet Union and to some international matters, socialist Yugoslavia occupied her customary place.

The day before the Congress opened, the organ of the Central Committee of the Communist Party of the USSR, „Pravda“, published an article on Yugoslavia under the heading „What do the Facts Show?“ The article was signed by I. Nikolaev, I. Dudinsky and A. Loshchakov.

Before that, the theoretic organ of the Central Committee of the Communist Party of the USSR, „Kommunist“, had devoted a great deal of space to Yugoslavia also.

All these attacks form, in fact, a whole. They mainly repeat the fabrications which have for months been used in the campaign against Yugoslavia, and which are already well-known to our public.

However, the latest attacks have in them some new elements. These are attempts to convince their own public and those of other countries that Yugoslavia is stagnating economically, and in some fields has even been retrogressing since 1948, and „anxiety“ is expressed, at the same time, for the fate of socialism in Yugoslavia. All this arises from the fact that Yugoslavia is not to be found in the camp.

Moreover, attempts are made to substantiate these affirmations by „facts“. The way in which these „facts“ are selected and used brings their authors into an absurd position.

Before we look at the real facts, it is necessary to find the answer to a question: from what does the need arise to blacken not only the Yugoslav economy but also the whole system in our country? It is obvious that deep reasons exist for this.

It is well-known for example that the system of social self-management in our country, the constant strengthening of social democracy and the position of citizens and, above all of the producer, in our society enjoy high esteem in the world, including the socialist

countries. All comparisons of the position of the working man in our country with those in other socialist countries, not made by us alone but by thousands of visitors from abroad, decide favourably on the position of citizens in socialist Yugoslavia. The reality in our country has constantly shattered all anti-Yugoslav campaigns, disguised under a cloak of ideology, leaving them ineffectual. That is why the need arose to step down from the "ideological" pedestal to the level of intrigues and false accusations against the reality in our country.

This is one side of the question. The other is connected with the inevitability of a further process of internal change in all socialist countries, towards the giving of greater rights to citizens, further measures in the decentralization of the economy and government in general, towards the further engagement of the personal interest of the producer, etc. — in a word, the inevitability of tackling those problems of socialist development, to the solution of which the League of Yugoslav Communists has, for many years, been devoting the greatest attention.

Although the ways of solving these questions in various countries are different, solutions must inevitably be found. The scope of the economic plan which the 21st Congress of the Communist Party of the USSR is now discussing, with its greatness and the far-reaching prospects it holds out for the citizens of the Soviet Union, was made possible, above all, by the abandoning of out-dated ideas and methods in the management of the economy and by the taking of at least the first steps towards the de-centralization of the economy and the strengthening of the personal interest of the producer.

For us, it is essential for this process to move forward, even in the face of difficulties and through contradictions. For socialist development, it is not important whether acknowledgement be given to socialist practice in our country in this direction, or not.

However, the organizers of the campaign against socialist Yugoslavia look at the whole problem in a different light. A considerable number of people are asking the same question: why are so many attacks directed at Yugoslavia, when, in practice, certain important problems are beginning to be solved in the same way as that taken by the Yugoslav Communists at home? For this reason, it has been found necessary to blacken, as far as possible, the reality in our country, in order to make it appear that what is happening in certain socialist countries has no connection with Yugoslavia. Such a method of approach to problems makes the anti-Yugoslav campaign even more incomprehensible, and further forces the organizers of the campaign to use methods foreign to socialism: distortion of fact and blatant misrepresentation.

In his report to the Congress, Khrushchev once more brings out the oft-repeated "proofs" of the so-called Yugoslav "revisionism", "falling between two stools", "American aid", "Balkan Pact" etc. So much has already been written about this, that there is no need to refer to it again. During the period of improved relations between Yugoslavia and the USSR, in 1955 and later, there was not only American economic aid, but also military aid, and the Balkan Pact existed, but these did not hamper the development of our inter-state relations

or even our Party relations. Today, when Yugoslavia no longer accepts military aid from the United States, and the Balkan Pact, as is well known, scarcely exists, they revert to these and similar arguments. Our critics, having withdrawn their credits to our country, would like us, as a matter of principle, to renounce our credits from the West, and, by doing so, endanger our economic development, in other words, bring ourselves back to our position in 1948, thus making the "ideological discussion" easier for them. However, we have no intention of pleasing our critics in this way.

ON THE METHOD OF MAKING COMPARISONS AND THE TRUTHFULNESS OF INFORMATION

IN ORDER to prove their thesis about the Yugoslav economy and the standard of life of Yugoslav citizens, our "critics" have compared the industrial development of our country with that of Bulgaria and Poland.

"The method of comparison, as is well known", says "Pravda", "is one of the most reliable methods in the study of economics. By this, an analysis should be made of the present position of the Yugoslav economy, comparing it with the successes in economic development at least with those countries of the socialist camp which, in the past, had an equal initial economic level (with Yugoslavia)".

And so comparing our industrial development from before the war onwards with that of Bulgaria and Poland, "Pravda" reached the conclusion that Bulgaria has increased her industrial production in this period by 9 times and Poland, 5.5 times, whereas Yugoslavia has increased it only by 3.4 times.

Before looking more closely at this comparison, we are forced to ask the question: by what method do the authors of the article in "Pravda" compare the industrial development of various countries? and to say a few words about the accuracy of the data used by our "critics". It is known that considerable differences exist between the statistics of our country and most of the East European countries. Some of the statistics of East European countries have already been refuted, whereas there is no danger of this with Yugoslav statistics. Did not Khrushchev, for example, announce at the December plenum of the Central Committee of the Communist Party of the USSR, that the official data for Soviet agriculture, all up to the end of 1953, had been forged, and that Soviet agriculture, despite the enormous mechanization at its disposal, a developed scientific and technical service and innumerable specialists, up to the end of 1953, had only managed to produce yields equal to those of the Russian peasant, using his wooden plough, in 1913?

We all well remember what Soviet agriculture was made to appear in the reports which were read to the Congresses of the Party and sessions of the Supreme Soviet in Stalin's time and how "successful" collectivization was reported to be. According to these reports, agriculture every year achieved greater yields and successes. What are we to say now after Khrushchev's revelation? How can we be certain that the same thing did not occur in other economic information?

Furthermore, after the October events in Poland, in discussions with very authoritative persons, it was shown that many earlier figures on the economic position and development of the country were untrue also. What guarantees do we have, therefore, that there were not similar occurrences in other countries that are compared with Yugoslavia, and that they are not still taking place? How do we know, for example, that this or that information on the economic development of Bulgaria will not be tomorrow refuted?

Even supposing that the given data is correct, another question is immediately posed: by what method are the comparisons made?

Yugoslavia, Bulgaria and Poland, it is stated, were on an „equal, initial level“, and comparison is made with the pre-war situation. What is then true, since the pre-war situation is one thing and the „initial level“ after the war something quite different? If it refers to the initial level, i. e. from 1945 or 1946, then it should be said that the initial level was not the same for all three. It is a well-known fact that Yugoslavia emerged from the war completely devastated, similar to the Ukraine. Bulgaria, however, did not. In the development of the Bulgarian economy, there were even some investments during the Second World War, since she was treated as Hitler's ally. Her „initial level“ and ours were quite different. Poland was indeed ruined during the war, but afterwards she received in the west of her territory, Silesia, one of the most developed industrial basins in Europe, which truly suffered greatly in the war, but which also offered possibilities of rapid re-building.

Why do our critics consciously and intentionally ignore these facts? They must, since how else could they prove their thesis that Yugoslavia is economically stagnating (and that the standard of living of the Yugoslav people is falling) since she has ceased to be a member of the camp and because she is not in the camp, while in other East European countries both the economy and the standard of living are progressing.

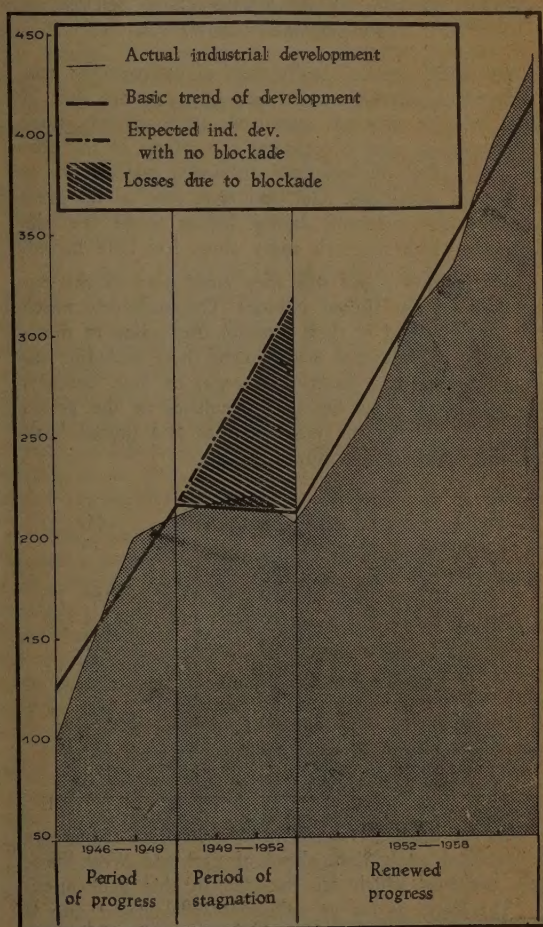
We cannot here give space to an analysis of the data, which, to tell the truth, is meagre, but we shall nevertheless — more as an illustration of the methods used — state the following. They write that in Bulgaria the production of semi-anthracite has increased by 2,3 times, whereas in Yugoslavia it is decreasing, as though our „critics“ do not know that Yugoslavia had negligible quantities of semi-anthracite, since the Rasha mine belonged to Italy, and on the other hand the semi-anthracite mines are nearly worked out and that Yugoslavia is well-known for her wealth in other kinds of coal, the production of which is constantly on the increase. In other words, Yugoslavia has not even possibilities for developing her production of semi-anthracite, whereas in Bulgaria the situation is quite the reverse. This kind of comparison leads to absurdity, since, by this method, we could make comparison between our production of nonferrous metals, in which we are rich, with some other socialist countries which are without ore of this type.

WHY IS THERE NO MENTION OF THE ECONOMIC BLOCKADE OF YUGOSLAVIA?

THE event which figures largest in the post-war economic development of Yugoslavia, is undoubtedly the economic blockade and its consequences. This fact is well known to our „critics“ and to the whole world. They nevertheless ignore Stalin's economic blockade on this country and all its consequences when comparing Yugoslavia with Bulgaria and Poland. This fact best reveals the true face and real intentions of our critics.

Here is roughly what this blockade meant to our economic development in the period 1949 to 1952.

If we examine the economic development of Yugoslavia, and particularly her industrial development, which is in question here, we find three clearly defined periods. The first from 1946 to 1949, until Stalin's economic blockade; the second from 1949 to 1953, the period of struggling to overcome all the consequences of the blockade, a period of economic stagnation; the third from 1953 onwards, a time of renewed and rapid economic



GRAPH OF THE TREND OF INDUSTRIAL PRODUCTION IN YUGOSLAVIA.

development of our country, after successfully overcoming the effects of, the blockade and re-establishing for herself more or less normal conditions for development.

What a tremendous blow the economic blockade inflicted on our economic development is best shown by the graph, i. e. by the curve which shows the real movement of industrial production and the basic trends. Had our economy developed normally, i. e. had there not been the economic blockade, today the picture would be very different.

Our „critics“ had this information in their hands. They also know that other East European countries developed normally in this period, while the Yugoslav economy sustained the terrific pressure of the blockade, and for this reason temporarily stagnated in production and standard of living. But our „critics“ think it best to keep quiet about this; firstly, because an honest comparison would give different results, and, secondly, because it is unpleasant for them to be reminded of these facts.

WHAT DO REAL COMPARISONS OF ECONOMIC DEVELOPMENT SHOW?

IF OUR „critics“ really wish to compare the economic development of our country with that of others, why do they not start from 1953 onwards, since in that period, after overcoming the effects of the economic blockade, our economy developed under more or less normal conditions. And from that year, at the same time, the new economic system begins to be felt, the system at which so much angry abuse has been hurled.

Information about this they could find in the publications of the United Nations Organisation, which they certainly had at their disposal. According to these, the tempo of industrial development (here including industry, mining and electrical energy) of our country, compared with other European countries in the period 1953—1957, taking the year 1953 as 100 (initial basis for comparison) is as follows:

State	1953	1956	1957
Belgium	100	122	—
Czechoslovakia	100	127	—
France	100	133	145
Italy	100	128	138
Hungary	100	111	112
East Germany	100	126	—
Poland	100	135	—
USSR	100	141	155
Great Britain	100	112	114
Yugoslavia	100	146	170

As can be seen, Yugoslavia is, in her rate of increase of industrial production, ahead of East and West European countries which are included in this publication.

Therefore, as far as industrial development rate is concerned, and it is precisely about this that „Pravda“ writes, then Yugoslavia takes first place among European countries. This fact is well-known in the world, and surely to our „critics“ too. But they hide it from their

public. And they are forced to hide it, since how else can they prove their thesis that the Yugoslav economy has been stagnating and regressing since 1948 because Yugoslavia is not in the camp, and that, at the same time, the economies of other East European countries have constantly been progressing, just because they are within it.

ON AGRICULTURE

ON the subject of agriculture, the authors of the article have „forgotten“ to inform their readers of a few details.

Firstly, that only in the last three years has Yugoslavia been in a position to tackle the problem of the further transition of agriculture by means of greater investment. The economic position of our country, caused above all by the blockade, gave no alternative.

Secondly, the authors intentionally omitted a few facts about the successes achieved by Yugoslav agriculture in the last three years: the provision of means and technical equipment; greater yields; the development of state farms; successes in the development of co-operation; etc.

Thirdly, they incorrectly informed their readers by stating that our agricultural co-operatives do no more than buy and sell agricultural products, and that that is our policy in agriculture — although the situation is quite the reverse. Our whole agricultural policy is directed towards the development of modern, large-scale, socialized production and the socialist re-organization of agriculture and the village.

Another question is how to achieve this type of agriculture and raise agriculture based on very small-holdings to the level of socialist agriculture.

That the socialist transition of agriculture is a very complex and serious problem is witnessed by the experiences of the Soviet Union. The reason behind the decisions taken at the September plenum of the Central Committee of the Communist Party of the USSR in 1953, and the measures that followed (the disbanding of tractor stations, and the giving of the tractors to the collectives; the abandoning of compulsory purchase of garden produce; the changes in the system of wages; freer circulation of the produce of collectives; etc.) were for the implementation of the „principle“ of strengthening the material interest of the members of the collective, in order to make use of all existing reserves.

What is the significance of the fact that through the whole period of „Stalinist collectivization of agriculture“, despite the great material investments, production basically remained the same? What happened to the much-praised successes of Stalinist collectivization (praised even in the recent past) — which did not bring increased production? What other agriculture, with so many tractors and so much technical and scientific equipment, would not, in such a long period, give at least a minimum increase of production? Is not such a result in production a full and complete denunciation of the Stalinist method of solving the problem of how to develop socialist production on a large scale? And attempts are made to „criticize“ us for not having copied such a method. Have not today,

Since 1953, the successes in the increase of agricultural production in the Soviet Union have been achieved simply due to the fact that solutions are sought that are contrary to the official Stalinist theory and practice? Are not, in basic questions, their present theory and practice similar to that of Yugoslav theory and practice — though naturally governed by specific conditions? What and whom do the authors of „Pravda“'s article criticize? Why do they not more fully study the decisions of the December plenum of the Central Committee of the Communist Party of the USSR?

Undoubtedly, the implementation of the principle of strengthening the material interest of collective farmers, which is specially emphasized by Khrushchev, gave and will continue to give good results; but it is interesting that „Pravda“ very strongly condemns us just because our economic system is founded on the principle of strengthening the material interest of direct producers. This comes at a time when the whole plenum of the Central Committee is in session in Moscow and is underlining the importance of the principle mentioned above.

How can we explain this?

Experiences (and not only Yugoslav) have shown that the number of socialist holdings and the extent of their territory cannot, and should not, be the only criterion of the progress of socialism. Under some conditions, it can even cause a drop in production, which the experience of Stalinist collectivization has shown — as witnessed by Khrushchev's report.

If we try to find the reasons why our socialist holdings have so rapidly progressed in the last two or three years, we should in the first place look at the new relations, the greater interest of the direct producers, at their rights of management and at the whole mechanism of our socialist democracy. It is understandable that the reason also lies in the ability of our community to invest greater means for the socialist transition of agriculture.

However, it appears that our „critics“ are not really concerned with more serious analyses of either our or their agriculture, otherwise they would not so superficially gloss over the analyses of Soviet agriculture up to 1953, which Khrushchev carried out at the last plenum, only a month ago, and over the analysis of measures which are now being undertaken in the Soviet Union. But they are not concerned with that since their aim is to blacken Yugoslavia at any price and to extol home conditions. For this, they do not hesitate to use any means available.

To what extent they do not choose their means is illustrated by the affirmation of the authors of the article in „Pravda“ that „Yugoslavia, before the war, not only satisfied her own agricultural needs, but was also, as is widely known, a large exporter of agricultural produce“.

It is known, however, that old Yugoslavia, as well as Czarist Russia, was a „large exporter“, only at the expense of the hunger and poverty of the population. Whole areas of Yugoslavia ate maize bread. Hundreds of thousands of landless people wandered around, hungry, bare-footed and poorly clothed. Tens of thousands of children died of starvation or malnutrition. — Today all this no longer exists, but our „critics“ do not mention this.

Our „critics“ speak of how, in Yugoslavia today „rich, land-owning peasants flourish, mentioning even their exact number, precisely 317,000, but they omit to say that the agrarian reform in Yugoslavia limited land holdings to 10 hectares, whereas in some other socialist countries, the maximum is 50 and even 100 hectares. On this question also, our „critics“ avoid the truth and revert to the arguments put forward at the time of the Resolution of the Informbureau.

STANDARD OF LIVING

WHILE on the subject of the standard of living, we understand the efforts of the Soviet Union and of the other countries of East Europe to improve the standard of living of their working people. We are also familiar with their efforts to raise the output of meat and meat products, of milk and dairy products, to increase and improve the production of textiles, clothing, fruit and vegetables etc. Because of these aims, among other things, greater attention is being devoted to agriculture, to removing the disproportions between it and industry, and those within industry itself, between the heavy and the light industry, etc. We are also familiar with the difficulties with which they are confronted in this respect. We welcome the fact that the new seven-year plan gives serious consideration to the further improvement of the standard of living of the working people in the Soviet Union.

But why are the facts and a genuinely truthful picture of the state of affairs and increase in the standard of living in Yugoslavia being kept from Soviet public opinion?

Why are the facts of the prodigious growth of the working class in Yugoslavia, of the change in the population pattern being hushed up? Why are the facts about the successes accomplished by the health service, social welfare, children's protection, education being not mentioned? Why do they keep quiet about the care given to the enormous number of disabled war veterans and children of fallen fighters? Are these things which have nothing to do with the standard of living and with the life of the people?

It is a fact that in its development Yugoslavia passed through a period of stagnation in its standard of living during 1949–1953. The cause lies in the economic blockade and in the struggle to prevent the blockade from retarding our economic development. Accordingly, the blockade and everything that accompanied it had to be paid for by the people of Yugoslavia with its standard of living. Why is this not mentioned?

Owing to all this our country was able, economically, to apply itself to the continual and systematic improvement of the standard of living only when, in its effort to overcome the blockade, it had created further indispensable conditions for quicker industrial development. But this is also not mentioned in „Pravda's“ article.

Why are not exact data given regarding the growth of the standard of living of the working people during the past years, after 1953, especially after 1956, when normal conditions for this had been created?

And finally, why is no mention made of such economic facts as the growth of production in Yugoslavia, the rise of the national income per inhabitant and, as a whole, the increase in personal consumption per inhabitant (as an example, in 1953 personal consumption amounted to 727,000,000,000 dinars, and in 1958 it amounted to 1,015,000,000,000 dinars), why is no mention made that the production and consumption of industrial and agricultural products is growing? Just for the sake of the standard of living of its people, Yugoslavia imported wheat, sugar and other foodstuffs notwithstanding the extraordinary difficulties which it had to combat. Yet, our „critics“ on every occasion rebuke us for importing wheat, in other words, because we are endeavouring to assure every Yugoslav sufficient wheat bread.

Why are the facts being hidden regarding the housing problem and its development in Yugoslavia and in the Soviet Union and in the other East European countries? Why is the fact not revealed, for instance, that in Belgrade (which suffered severely during the war, the population of which has now doubled and where the housing problem is especially difficult) there is just a little less than ten square metres of housing space to one inhabitant, and that this is approximately the average for the whole of Yugoslavia, while in Moscow there is just a little more than five square metres of housing space to one inhabitant, notwithstanding the great efforts which have been made especially during the past years in the Soviet Union in housing?

Why are no facts revealed regarding the quality and variety of goods, clothing, footwear and other industrial products?

Why are no figures published regarding the state of affairs and further development of the public utility services, the building of streets, squares, the electric network, the development of city transport, of various cultural and recreational centres? Not only in regard to what has been inherited, for in this respect we are extremely dissimilar, but primarily in regard to the rate and trends of development, in regard to the successes in present construction and development. It is not hard to find these data, for they have been published in our country; but it is hard for us to make comparisons since many particulars significant for comparison are not published in the East European countries.

REGARDING THE SLOGAN, „YUGOSLAVIA HAS ISOLATED ITSELF“

WHAT is the purpose of such distortion, deception and misinformation?

The reasons are political; that is to say, the reasons should be sought in that the writers of the article have assumed the frustrating task of proving that Yugoslavia has isolated itself from what is known as the socialist camp and that it is lagging behind; and in order to prove this, it is necessary to distort the facts, produce inaccurate information, etc.

We see no reason why we should discuss the problem as to whether a certain country can develop towards socialism, develop socialist social relations and on this basis secure rapid economic development without being a component, integral part of what is known,

and by our „critics“ understood by, the name of the „socialist camp“. Development since 1948 has already proved this.

A characteristic of the present state of affairs in some of the socialist countries is another fact: the point is why do they endeavour so hard to prove that Yugoslavia has isolated itself and that the consequences are disastrous for its peoples. Whom do they wish to convince of this?

It is extremely characteristic that in the struggle against Yugoslavia during the period from 1948 to 1953 „anxiety“ dominated more and more for Yugoslavia's economic development and for the standard of living of its people inasmuch as the ring of the economic blockade round Yugoslavia contracted. And the press increasingly published articles comparing trends in Yugoslavia's economy with economic trends in the other East European countries. And the more total was the blockade (after the unilateral break-off of all agreements by the Soviet Union and other countries of the camp in 1949), the more did the responsible leaders of the Soviet Union and other eastern countries describe Yugoslavia's economy deteriorating just because Yugoslavia was not a member of the camp, while the countries of the camp were progressing just because they were members of the camp.

Furthermore, as will be recalled, the Yugoslav peoples were directly and indirectly exhorted to replace „Tito's clique“, and the like. This slogan, accordingly, was thought up by Stalin during his lifetime.

What is happening at present?

It is characteristic that our „critics“ are still extremely „alarmed“ over the standard of living of the Yugoslav peoples, while, on the other hand, the Soviet Government unilaterally broke off the capital investment agreements, which has inflicted damage to our economy amounting to 350,000,000,000 dinars (according to the current prices). Owing to this, 7,500 workers less are employed in industry and about 5,000 less in the building industry.

Does this situation not remind one of the situation in 1949, when the exponents of Stalin's policy shed crocodile tears over the standard of living of the Yugoslav peoples while at the same time undertook everything possible at that time to break Yugoslavia's independence?

Of late our „critics“ have ever more frequently and loudly been saying that Yugoslavia has isolated itself while at the same time straining to isolate it as much as possible in order to be able to fight it more easily and successfully. The Yugoslav peoples remember this slogan and its significance from their own experience. The slogan, „Yugoslavia is isolating itself“ has no other meaning for us save being a cloak for political justification and political mobilization of all manner of pressure against Yugoslavia.

The organizers of the anti-Yugoslav campaign need this slogan in order to justify or explain in some way or other their entire anti-socialist business to their own people.

SOMETHING ELSE ABOUT THE METHOD OF „CRITICISM“

SO AS TO become familiar with the method employed by „Pravda“ and by Khrushchev it is interesting to note, by way of illustration, that one of the writers of the article in „Pravda“ — Dudinski — wrote of this same subject on July 27, 1957, on the eve of the Bucharest meeting; hence, at the time when our relations were somewhat different and when it appeared that the trend was towards the relaxation of the campaign against us to a certain extent, which had been launched after the events in Hungary.

Involved in an argument with G. Kublitzki, the writer of a brochure about Yugoslavia, Dudinski wrote:

„Of course it is the obligation of every Soviet writer writing about the brotherly Yugoslav people to shed the proper light on the life and work of the workers and peasants of Yugoslavia on the manner in which in the concrete conditions of their country they solve the basic problems of socialist development, on the difficulties which they must overcome, on the successes they have accomplished on the bright road of socialism“.

And then, having noted that G. Kublitzki's brochure does not coincide with these fundamental requirements, Dudinski continues:

„...The brochure suffers from an essential shortcoming. In a series of cases it one-sidedly presents certain manifestations and facts about Yugoslav reality, while some generalizations and deductions are superficial“.

In this same article Dudinski with sympathies wrote about our socialist development, emphasized that the working people of Yugoslavia, „Are selflessly working for the transformation of their once extremely backward country into an industrially advanced socialist state“, extolled our major successes, mentioned the big factories, shipyards, waterpower plants, and rebuked Kublitzki, saying that, „It is inadmissible to write a book about Yugoslavia while not saying a word about these facts“.

„It is impossible“, wrote Dudinski at that time, „to write about a country building socialism while saying almost nothing about who is in charge of the development of a new society, about the party of the working class, about the Yugoslav communists“. And so forth. And the like.

So wrote Dudinski when he was ordered so to write. Today when other missives are in the offing, it turns out that what Kublitzki once wrote is correct, and so there is no longer any difference between Dudinski and Kublitzki.

We have quoted Dudinski at too great length, but the example is indeed impressive to such an extent and fresh in our memory that it was worth quoting, though it is possible to find very many such examples.

Now where is the impartiality? What is correct — this or the other? Has Yugoslavia undergone such a change in the course of a year and a half, or rather something else has undergone a change beyond the rea-

lity of socialist Yugoslavia and its economic development?

It would indeed be ridiculous, were it not sad, that such sleights of hand can be committed in a socialist country with the facts which are written about, with the writers who write them and with the public whom they are written for.

What has not been written about us in the Soviet Union and in the countries of the socialist camp since 1945 and what has not been served the public opinion of those countries about socialist Yugoslavia? At first we were praised and commented more or less objectively. Then, in 1948, when the conflict broke out, everything that had been said till then was denied, pronounced incorrect, trampled underfoot. When relations were normalized in 1955 there appeared some objective writing here and there, but shortly afterwards they took to finding fault with us again. And finally...

Our „critics“ hesitated between what they wanted to accomplish and what they could have accomplished, and adjusted their attitude and their writing about Yugoslavia accordingly. During that time public opinion in the Soviet Union and in the socialist countries was compelled to receive entirely conflicting information about our country alternately.

It is indeed necessary to be disdainful for facts and for the intellectual and moral level of the readers for whom all this is written to be able to alter one's attitude on some question even when the reality of a country were not in question and that reality cannot be hidden.

„IDEOLOGICAL DISCUSSION“ AND JAILS

BUT on this occasion Khrushchev has come up for the first time with a fresh argument.

„In our country“, states Khrushchev, „no one is now put in jail for political motives. And it would be well if the Yugoslav leaders, who like to reason about the withering away of organs of coercion, were to release all the communists who are languishing in their jails because they do not agree to the new programme of the League of Communists of Yugoslavia“.

What can be deduced from such a statement?

Firstly that there are no longer any political prisoners in the Soviet Union. We take this statement as we hear it. If it is accurate, this is an enormous step

New Current Account

„THE REVIEW OF INTERNATIONAL AFFAIRS“ HAS
GOT A NEW CURRENT ACCOUNT AT THE COM-
MUNAL BANK, IT WILL READ IN FUTURE:

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forward in the development of the Soviet Union, for during Stalin there were too many political prisoners, especially honest communists, who lost their lives in the jails of Yagoda, Yezhov and Beria.

Secondly, Khrushchev wishes to give the impression that the Yugoslav jails are full of communists „Who do not agree to the new programme of the League of Communists of Yugoslavia“. This statement does not correspond to the truth. What is true is that a group of persons have been punished in Yugoslavia by summary procedure, mostly individuals so declared, exclusively those who already in 1948 conflicted with the laws of our country, chiefly because they had connections with Beria's apparatus and were pushed from that quarter to violate the laws of socialist Yugoslavia. That group was punished for organizing illegal flights across the frontier and not because of their attitude towards the programme of the League of Communists of Yugoslavia.

Thirdly, this sort of „advice“ contains the marks of interference in the internal affairs of our country. On our part we have neither wished nor do we wish to give advice to the leaders of the Communist Party of the Soviet Union how, for instance, to deal with the Malenkov group, for that is the affair of the Soviet communists. Similar „advice“ was given to us by the West in regard to Krekich, Pavlovich, Djilas, but without hesitation we rejected it as an attempt at interference in our internal affairs.

Finally, it is generally known that Yugoslavia ranks among countries with the smallest number of political prisoners.

YUGOSLAVIA — CHINA — THE SOVIET UNION

ALL WORLD public opinion knows that the fiercest attacks on socialist Yugoslavia come from the People's Republic of China and that we have answered these often crude and uncivil attacks with extreme composure. It is also well-known that world public opinion has for some time already been writing and discussing the relations and differences between the Soviet Union and the People's Republic of China. This

particularly found expression after the conversation between Khrushchev and Senator Humphrey of the United States was made known and after certain statements made by Mikoyan in the United States.

Notwithstanding these generally known facts, Khrushchev in his report states as follows:

„The Yugoslav revisionists have now concentrated their main fire against the People's Republic of China and are spreading all manner of fabrications about differences between the Communist Party of the Soviet Union and the Communist Party of China...“ and concludes, „We are fully in agreement in everything with the brotherly Communist Party of China, although its methods of building socialism in many ways are not similar to ours“.

So many stupidities have been said in the attacks on socialist Yugoslavia and so much heaped on its back that, when all this is gathered up in one place, a man unwittingly must ask are these „critics“ of ours capable of reasoning coolly and with logic about what they write of Yugoslavia. Let us just remember that the following things were attributed to Yugoslavia and still are

That it is to blame for the events in Hungary;

That it wants to wreck the socialist camp;

That it wants to attract the countries of Asia and Africa into the arms of American imperialism;

That it wants to cause two great powers, China and the Soviet Union, to quarrel;

That it is to blame for the conflict between some communist and labour parties.

Our „critics“ themselves are aware that these accusations strike the whole world as ludicrous. The strength of socialist Yugoslavia is not in its wrecked role but in the political and moral reputation it enjoys in the world, in the fact that with its attitude and in reality it contributes to the settlement of many problems in present-day socialist development.

* * *

THE Twenty-first Congress of the Communist Party of the Soviet Union continues work. The harangues against Yugoslavia, especially in the greeting addresses of some foreign delegates, also continue. The attitude towards socialist Yugoslavia at a congress of this kind does not contribute to the prestige of the congress. To the contrary. But, the Twenty-first Congress is of great significance for the further development of the Soviet Union, and from this point of view many of the materials and particulars revealed at the congress are of broader interest. It need scarcely be added that the matters have not been referred to in this article, the purpose of which was to dwell on certain attitudes towards our country.

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YUGOSLAV – ETHIOPIAN FRIENDSHIP

— COMMON ASPIRATIONS AND EXPANDED MUTUAL CO-OPERATION —

Marijan BARIŠIĆ

Yugoslav Ambassador to Ethiopia

NORMAL diplomatic relations between Ethiopia and Yugoslavia are of a fairly recent date, not being older than 5 to 6 years. However, the recent origin of the diplomatic relations notwithstanding, the two countries' mutual ties have developed rapidly, occupying an important place in their foreign-political activity thanks to their rich substance. The fact that these relations have reached such a degree of development should cause no surprise. The reason for this occurs not only in the existence of certain identical features and similarities between Ethiopia and Yugoslavia in their development through history, but far more in the events from the most recent history. The struggle of the Ethiopian people against aggressors, Ethiopia's persevering efforts in the post-war period to maintain her political independence, as well as that country's striving to liquidate backwardness, have been followed by the Yugoslav peoples with understanding and great sympathy. And conversely, the story of our People's Liberation Struggle, the successful buildup of socialist Yugoslavia and her independent foreign policy have brought our country a large prestige in Ethiopia, the same as in other countries of Africa and Asia. Further, the principled attitudes of the Federal People's Republic of Yugoslavia in its foreign-political relations, founded on a sincere and equal co-operation; the mutual respect and non-interference, which has been confirmed by Yugoslav foreign-political practice through tenacious strivings in the United Nations Organization and outside of it, for comprehensive assistance to undeveloped countries and for the maintenance of world peace have earned to our country the undivided confidence of the peoples of Africa and Asia. Those peoples need and demand just such international relations which

will ensure them a comprehensive social development, political independence and enable them to participate in the determination of the future of mankind and world peace on a basis of equality.

Ethiopia belongs among undeveloped areas. Under very complicated conditions, she is striving to realize a better life for her people, for which reason, particularly, she relies on co-operation with other countries and on outside assistance. In such conditions Ethiopia not only welcomes the principles and practice of Yugoslavia's foreign policy, but has given and constantly gives the initiative for the widest possible co-operation on all questions and with complete confidence in the new Yugoslavia. The first contacts between our countries in the United Nations, the exchange of Good Will Missions, the establishment of normal diplomatic relations have created very quickly the preconditions for meetings and conversations at the highest level. During his visit to European countries in 1954, Emperor Haile Selassie had also visited Yugoslavia. The Ethiopian Emperor's visit to our lands, towns, industrial centres had consolidated even more Ethiopia's confidence in the possibility of co-operation with the Federal People's Republic of Yugoslavia, and also in the possibility of development of its own country. Today Ethiopia is conscious that she cannot safeguard her independence without her social, economic, cultural and general development, and that backwardness is the best ally of foreign influences and interference. This fact, too, among others, has favoured the establishment of co-operation with contemporary Yugoslavia, and Emperor Haile Selassie's visit had been very quick in yielding results.

During 1954 the first Yugoslav enterprises were established in Ethiopia

intended to intensify trade between the two countries. In the mean time, on the invitation of the Ethiopian Government, a larger group of Yugoslav economists and technicians went out to prepare a detailed study of Ethiopia's economic possibilities. The first Yugoslav physicians went to Ethiopia about the same time. In December, 1955 President Tito visited Ethiopia as guest of Emperor Haile Selassie. On that occasion the two heads of state had reviewed with satisfaction the first results of the successful mutual co-operation and laid down the framework for the further expansion and intensification of general economic co-operation, trade exchanges and technical assistance to Ethiopia. In political questions, too, complete agreement was established in the appraisal of the world situation, regarding the need to strengthen the role of the United Nations Organization, the maintenance of world peace, and so on. As a result of this visit, Emperor Haile Selassie decided that the Ethiopian Government shall engage Yugoslav specialists to prepare a Five Year Plan of Economic Development of Ethiopia, the same specialists having already completed a study on that country's economic possibilities. Mutual trade was further expanded, with new products added from both sides. Yugoslav enterprises are bidding for Ethiopian government contracts by tender, taking an interest in construction and other projects in that country. During 1957 the Yugoslav enterprise *Pomgrad*, of Split, signed a contract with the Ethiopian Government for the construction of the principal Ethiopian harbour at Assab. The then Vice President of the Federal Executive Council, Svetozar Vukmanović-Tempe, visited Ethiopia toward the end of 1957, during his trip to the countries of Africa and Asia. On that occasion, a joint announcement was issued citing

once again a continued intensification of the mutual economic relations and an identity of political appraisals. In 1958 the Yugoslav enterprise *Naftaplin*, of Zagreb, signed a contract for exploration work in the Eritrean oilfields for the account of the Ethiopian Government. The years 1957 and 1958 have been particularly characterized by an expansion of Yugoslav technical assistance, a further strengthening of trade exchanges and general economic co-operation. Today, for example, Yugoslav physicians are in charge of three hospitals in Addis Ababa — including the Central Military Hospital and two civilian hospitals — and of the hospital in Gimma. Yugoslav specialists are found performing various duties at the Ministry of Agriculture, the Planning Office, the Reparations Bureau, the Electrification Administration, the Ministry of Trade in Addis Ababa, as well as in the towns of Dire Dawa, Assab, Dessie, Gimma, Asmara. With their selfless work, they are making a contribution to the development of Ethiopia, strengthening the confidence between our peoples and realizing in practice one of the principles of Yugoslav foreign policy: the extension of assistance to undeveloped countries without any strings attached. Ethiopia frequently sends her delegations and men to visit Yugoslavia, to familiarize themselves with the concrete solving of different problems in our country of interest to them. During the academic year 1958—59 the Yugoslav Government has awarded four scholarships to Ethiopian students to study at Yugoslav universities.

The practice of Yugoslav-Ethiopian relations has confirmed the possibility of co-operation on a basis of equality between countries with different internal organizations. Active co-existence between Yugoslavia and Ethiopia is a fact which has increasingly been replacing the outlived old forms of unequal relations. This point has been publicly emphasized by Emperor Haile Selassie at various junctures. He has cited the relations with the Federal People's Republic of Yugoslavia as an example of the relations he would like practice of the Yugoslav-Ethiopian co-operation and relations has made a contribution of its own to the new international relations, making for a strengthening of the forces which are for peace and a peaceful settlement of problems by that token.

Ethiopia and her Emperor are again looking forward with pleasure to a new visit by President Tito, being aware that this visit will trace a further phase in the mutual relations, with results of both-sided interest and benefit. The friendship between Ethiopia and Yugoslavia which has been developed and consolidated by Emperor Haile Selassie and President Tito has been put to the test in sincere mutual co-operation and is deeply implanted in the consciousness of the peoples of Ethiopia and the Federal People's Republic of Yugoslavia. All the attempts from various sides to shake this mutual confidence, to cast doubts on the intentions and aims of Yugoslavia in the co-operation with Ethiopia have suffered a complete failure and have only

contributed to a strengthening of the existing confidence. In his Address from the Throne in the newly-elected Parliament, on November 2, 1957, the Emperor of Ethiopia had emphasized how much store he was setting by friendship with the Federal People's Republic of Yugoslavia and President Tito, stressing particularly that President Tito was the first head of a sovereign state to pay an official visit to Ethiopia. The people and the Emperor of Ethiopia had received this gesture of President Tito as a sign of special consideration, which they have reciprocated with sincere friendship and as a result of which they are looking forward with great pleasure to the next visit of their friend Tito.

Visit to Asia

THE motives and aims of the visit of President Tito both to Asia and to Africa constitute a single entity, not only because they are inspired by the same political principles and characterized by the same peaceful aspirations, but also because the tendencies and desires of Asia and Africa in all major political, economic and social aspects are largely identical. Therefore the fruitful results that mark the end of President Tito's visit to Asia already make it possible to say that the talks between the leaders of the non-aligned countries will be registered as among the most significant events in the development and international affirmation of the policy of active co-existence and non-alignment.

Although bilateral cooperation between Yugoslavia and the four Asian countries differs in many respects, with regard to duration, volume and scope, the cordiality and manifestations of friendship with which the Asian peoples and statesmen welcomed President Tito, their kindred views on the crucial international issues, and their identical wishes for the promotion of mutual relations are common factors which appeared in all their meetings and talks.

INDONESIA: President Tito paid an official visit to Indonesia from December 23 to January 1, calling at Jakarta, Bogor, Bandung and the island of Bali. The highest Indonesian statesmen, including President Sukarno, Premier Juanda and Foreign Minister Subandrio, took part in the political talks. In Bandung, the meeting-place of the famous Afro-Asian Conference, President Tito was pro-

moted Doctor honoris causae of Bandung University. President Tito was also invested with the highest Indonesian decoration, the Order of the Guerillas. A joint communiqué was issued at the end of the visit, in which fundamental common views on international problems and questions of mutual cooperation were formulated.

BURMA: President Tito arrived on an official visit to Burma from January 8 to 10. General Ne Vin and his closest associates took part in the political talks on the Burmese side. During his stay in Rangoon the Yugoslav President also met the former Prime Minister and leader of the so-called "pure faction" of the Anti-fascist League, U Nu, and the leader of the so-called "firm faction" of the Anti-fascist League, U Ba-shwe. A joint statement was published at the end of the visit, in which the benefits of mutual co-operation were stressed.

INDIA: President Tito paid an unofficial visit to India from January 12 to 19. On this occasion the Yugoslav Head of State visited Madras, New Delhi, Hyderabad, and Secunderabad, and had talks with President Prasad, Premier Nehru and other distinguished Indian statesmen. In New Delhi President Tito attended a grand military parade, and met the prominent Indian socialists Kripalani, Ansari and Basin. At a session of the Municipal Councils of Hyderabad and Secunderabad President Tito was presented with a formal Charter. A joint communiqué was issued announcing views on the international situation and mutual relations.

CEYLON: President Tito paid an official visit to Ceylon from January 21 to 26 and visited Colombo, Kandy and Norelia. During his sojourn in Colombo President Tito had talks with Premier Bandaranaike on various international problems, and relations between the two countries. A joint communiqué was issued at the end of the visit which, in addition to stating views on various international problems, called for the raising of the diplomatic missions of the two countries to the rank of embassies.

On leaving the Asian countries President Tito will visit some countries of the African continent: Ethiopia, one of the oldest independent states on this continent, with which Yugoslavia has traditional ties of friendship; the Sudan, one of the youngest independent countries of Asia, with which relations are still in the initial stage, and the United Arab Republic, whose policy of active neutrality symbolizes African aspirations and constitutes a suitable platform for fruitful cooperation with Yugoslavia.

public and Yugoslavia — relations which are the characteristics of the relations co-existence, and which could be an inspiration to all peoples in their relations, for without such a principle there must always be a wolf on one side and a lamb on the other.

The talks between Presidents Nasser and Tito will again confirm the need to uphold in the international sphere the trend and principles which the two countries have already chosen.

Because of the failure of the policy of bloc division — a policy which has neither managed to preserve peace nor to provide humanity with any essential feeling of security in the immediate future, the two Presidents are aware that the independent forces of the disengaged countries can play a positive rôle today as a calming influence between the two antagonistic blocs; they are aware that all the peoples of the world desire only peace, respect for their rights, and freedom, and that all men, wherever they may be, horrified by the spectre of the real war which could result from the present cold war, condemn the uncontrolled armaments race, nuclear experiments and atomic weapons. The two Presidents will therefore do everything possible, through the rôle which the disengaged countries can play in the world, to preserve these peaceful tendencies, tendencies which have been officially put forward in the United Nations, not only by the delegates of the non-bloc countries, but even — and this is news of great importance for optimism for the future — by certain delegates of the bloc countries.

Other problems too, are before the conscience of humanity: the problem of nations which are suffering and fighting for their emancipation and their freedom, such as the peoples of Algeria and Cyprus and other countries of Africa and Asia, or the problem of those which, because of the colour of their skin, are the victims of racial discrimination, reminding us of the worst epochs of barbarism ever known to humanity. The two Presidents, who have taken part in the struggles and sufferings of their nations in throwing off the yoke of imperialism, and who could never permit racial discrimination and injustice — an integral part of that yoke — will seek out, according to the principles so dear to them, and also proclaimed in the United Nations Charter, all means and opportunities of continuing to give support in all circumstances and in international organizations to these heroic peoples which imperialism, violating the essential rights of man, still continues to oppress with the sole aim of keeping advantages and privileges gained by force.

The United Arab Republic considers — and Yugoslavia is of the same mind, her President having always affirmed it — that out-of-date imperialism must imme-

Meeting Between Tito and Nasser

— THE INDEPENDENT COUNTRIES AND THEIR MISSION FOR FREEDOM, RELAXATION OF TENSION AND PEACE —

Sabet ARIS

Ambassador of the U.A.R. to Belgrade

IN ORDER to withstand the storms which incessantly disturb the international atmosphere, the majority of the independent Asia-African countries have adopted as their international policy a standpoint which is based on the principles laid down at the Bandung conference.

Active and peaceful coexistence, disengagement from blocs, the rights of every nation to sovereignty and independence, non-interference in the internal affairs of others — these, in general, are the principles which inspire the foreign policy of these countries and their standpoint in relation to world problems. Yugoslavia, who considers that these principles are the only ones through which peace and agreement can be realised in relations between peoples and states, has officially proclaimed them for a long time, and at the various meetings between Presidents Tito, Nasser, Sukarno and Nehru these principles have been put forward and confirmed.

This explains the close ties which exist today between these Asia-African countries and Yugoslavia, the bastion of neutrality and peaceful coexistence in Europe.

There is no doubt that during his current visits to these countries President Tito will be welcomed as one of the outstanding apostles of this policy. The love and delight of the people shown to him during his passage through Port Said, and afterwards during his sojourn in Indonesia, show how much the people of these countries appreciate love and respect those who have taken on themselves the task of ensuring peace and security for humanity. President Tito, who began discussions with

President Nasser in Port Said, will continue them during his forthcoming visit to the United Arab Republic. Nobody can doubt that this meeting, following that on Brioni in July 1958, will be successful, both in the development of co-operation between the two countries and in the strengthening of the forces for peace in the world.

First Egypt and Syria separately, and subsequently the United Arab Republic on the one hand, and Yugoslavia on the other, have been continually exploring all possible means of developing commercial relations and co-operation in economic, technical and cultural fields. Great progress has already been marked and, agreements have been made and are being put into force; but there is still much to do, as great possibilities exist in these fields. The United Arab Republic, which is mobilizing its whole potential forces with the aim of industrializing, developing in a big way, and modernizing its agriculture, has already begun to carry out the great plan of this project: a dam for irrigation and electricity, the construction of roads and railways, the development of a merchant navy, the building of new industries etc. — all these are activities in which Yugoslavia, a friendly country and one without colonialist or imperialist ambitions or any other ulterior motives, can take part.

It is unnecessary to stress how useful to both nations will be such co-operation, in which each of the partners understands the interests of the other side, never forgetting them and always respecting them. Co-operation based on sincerity, mutual respect, common interests and friendship are the characteristics of the relations which exist between the United Arab Re-

diately give up its booty; for some Arab countries which are still under foreign occupation groan under the burden of poverty and social injustice, because their riches are being exploited to the advantage of a few privileged and colonialist enterprises. These peoples, like their liberated brothers, must as soon as possible enjoy independence and all its concomitant rights.

The meeting between Presidents Tito and Nasser will bear fruit in all domains, which means that this meeting will be useful, not only to the people of these two countries, but also to all peoples and to the whole of humanity because,

as we have already said, the chief aim of this conference is to discover all means and all possibilities, in this time of continual crisis in which we are living, of contributing, even gradually, to the relaxation of world tension, so that we may reach a real and lasting peace, which alone can banish the spectre which haunts the life of every one of us. The whole family of disengaged nations, which believe in the principles of Bandung and follow them, must play an effective and essential rôle, in co-operation with all men of good will, in this mission for freedom, relaxation of tension and peace.

Yugoslavia and the Sudan

— POSSIBILITIES AND PROSPECTS OF EXPANDING ECONOMIC AND CULTURAL RELATIONS —

Živojin SIMIĆ

Yugoslav Envoy to the Sudan

The history of the relations and connections between the Republic of the Sudan and the Federal People's Republic of Yugoslavia has been very brief. The first contacts had been established only recently, on January 1, 1956, when the Sudan proclaimed its independence and became a sovereign state. Yugoslavia has been among the first countries to recognize an independent Sudan. Soon afterwards diplomatic relations were established and diplomatic representations with legation rank exchanged.

However, although there had been practically no connections between them until recently, although they are very distant geographically, and although they had been developing historically and socially under different conditions, the Sudan and Yugoslavia have established relations of close friendship. Sudan's efforts to maintain and consolidate its independence, to develop its economic possibilities and ensure a higher standard of living and a better future to its people, as well as to promote its international connections toward safeguarding a peaceful and independent development, have met with the understanding and friendly sympathy of the peoples and Government of Yugoslavia. On the other hand, Yugoslavia's efforts to expand her relations with all countries, regardless of their economic system and poli-

cal organization, on principles of respect for equality and mutual confidence and co-operation, as well as to promote economic relations with undeveloped countries and contribute, within limits of her possibilities, to the development of their economy, have met with the approval and understanding of the peoples and Government of the Sudan. On those bases, the indispensable conditions have been created for the establishment and promotion of friendly relations, which led to an exchange of views between the two Governments at the time of the last crisis in the Near East and to President Tito receiving an invitation to visit the Sudan.

President Tito's visit represents the most significant event in the relations between the two countries. It reflects a both-sided desire to raise the friendly relations to an even higher level. The visit and the official conversations between the highest-ranking statesmen will also indicate fresh possibilities of co-operation between the two countries in the fields of cultural, economic, political and other relations.

President Tito's visit to that independent African country commands a great international significance. It is the best expression of the new relations between peoples and their governments, which are basing their mutual friendship on principles of respect for inde-

pendence, non-interference in the internal affairs of other countries and promotion of friendly co-operation on questions by which they are drawn together.

Past co-operation between Yugoslavia and Sudan has mainly centred on economic relations. The Payments Agreement which was signed in December, 1955 has created the indispensable conditions for the inauguration and expansion of trade exchanges. Since then, the two countries' mutual trade has been growing slowly but constantly, reaching a value of about 350,000 dollars in 1958.

Yugoslav imports from the Sudan have included cotton and other staple export products of that country, such as hides, gum arabic, oil seeds, arachis and other. On the other hand, many products of Yugoslav industries, such as glucose, cement and cement goods, building materials, hand tools, timber and so on, are already known and sought after on the Sudanese market.

Both-sided interest for expanding trade resulted in a new Barter Agreement being signed in November, 1958 under the terms of which the trade exchanges this year should be raised by an additional 300,000 dollars..

In addition, the first steps have been made toward expanding other forms of co-operation as well in the economic domain. The Yugoslav enterprise *Jugometal* is shortly due to start mining exploration work and iron ore exploitation in co-operation with Sudanese enterprises. Another Yugoslav enterprise, the *Invest-Import*, is soon to start construction work on a battery and a building fittings and metal construction factory in the Sudan. Negotiations are in progress, and an agreement is likely to be signed soon, for the erection of still other factories in the Sudan. The contracts relating to these projects are very advantageous to the Sudan since they provide for credits and other facilities. It is to be noted that those are the first projects to be built in the Sudan by enterprises of a foreign state, which is evidently manifest of Yugoslavia's sincere desire to contribute to the economic and industrial development of the Sudan within limits of her possibilities.

The first steps have also been made in the field of cultural co-operation. Two Yugoslav professors have been engaged as full-time lecturers at the University of Khartoum, and there are five Sudanese students taking courses at

Yugoslav universities. Measures are under way to engage more professors and raise the number of students. However, there are far wider possibilities for the promotion of cultural co-operation, regarding which both-sided desires have already been expressed.

These initial achievements in the promotion of economic and cultural relations have made for establishment and

expansion of mutual confidence, which has opened the way to an even wider co-operation in these and other fields. It is to be noted that there are many fields in which the Sudan and Yugoslavia could attain a high level of co-operation, to great mutual benefit. This is particularly true of economic co-operation, considering the complementary nature of the two countries' economies.

Friendship between the peoples and Governments of Yugoslavia and the Republic of the Sudan is young but sincere. This friendship was born spontaneously, unobtrusively. Therein lies its perspective and the guaranty of its further constant ascendant and intensification. Therein lies the reason, too, why the malicious attempts to mar this friendship have been defeated.

VIEWS AND OPINIONS

Evolution on the German Problem

L. ERVEN

THREE THINGS have happened to highlight again the German problem in international discussions. There is the Soviet proposal to convert West Berlin into a free city, there is Mikoyan's trip to U.S.A., and lastly, there is the Soviet project for the peace treaty with Germany. All three developments combined have revided discussion and controversy about the German problem.

Since the end of the war the German problem has passed a number of times through similar periods of international interest without any progress being recorded toward its settlement. On the contrary, thanks to the various measures and changes which were undertaken by the Allies on German territory, and to the generally inauspicious development of relations between the ex-Allies of the anti-Hitlerite coalition, the German problem has become more and more difficult and complicated. None the less, this time that period seems to be characterized by a certain evolution more than on the earlier occasions, or at least by the beginnings of a certain evolution, in the opposed attitudes of the parties concerned. However, the evolution has not manifested itself in a converging of attitudes, which are still very divergent, but only in certain modifications of the points of view of each side, which fact must have been influenced, after all, by the reality today of the German problem and the development of the individual factors making up its complex.

The proposal to convert West Berlin into a free city came abruptly and precipitated confusion among the Western Allies as regards its true meaning and possible implications, since the Soviet Government had set certain time limits for it. Actually, two points were involved in that proposal: the decision of the Soviet Government to hand over control of traffic with West Berlin to the East German Government within a particular time limit, having decided to withdraw itself from the hitherto system of this control; and the proposal of the Soviet Government to convert West Berlin into a free city. If agreement of the Western powers is needed for this proposal, the Soviet Government does not need the approval of anyone in connection with the decision to relinquish control. However, even such a partial implementation of the Soviet plan about Berlin would confront the Western Allies with the dilemma whether to change their attitude of boycotting the East German Government, consi-

dering that traffic control would come within its jurisdiction, or to seek some other solution for the Berlin problem in agreement with the Soviet Government. — In fine, regardless from the negative attitude which the Western Allies had immediately adopted toward the Soviet proposal to make Berlin a free city, the Berlin problem had been broached in its most acute form.

However, the other two developments mentioned above have thrown some light on the Soviet proposal about Berlin as well. With his statements in U.S.A. Mikoyan has hinted that the time limits in the Soviet proposal were not in the nature of an ultimatum, nor preclusive, the aim of the Soviet Government having been not to face the Western powers with a fait accompli, but to spur negotiations and provide a base for them. With this, if not officially yet authoritatively, the Soviets have removed the objection of the Western powers that they did not want to conduct any negotiations under pressure of an ultimatum involving unilaterally set time limits. On the other hand, where the peace treaty with Germany is concerned, the Soviet Government had provided for the settlement of the Berlin problem according to the method suggested also in its separate proposal concerning Berlin. In this way the Berlin problem had been returned within the complex of the German problem and it could be considered within the negotiations which would be conducted on the German problem integrally and which the Soviet Government had suggested be held within the same time limits as the negotiations on Berlin which it had also proposed. With this the Soviet side had met halfway also the second objection of the Western powers in connection with the Soviet proposal on Berlin to the effect that the Berlin problem cannot be considered separately, but within the framework of the German problem integrally.

The Soviet project for the peace treaty with Germany remains as the most significant step made from the Soviet side in the efforts to open negotiations for the settlement of the German problem.

We have mentioned before that the development of the German problem is exhibiting certain signs of evolution in the attitudes of the parties concerned. One effect of this evolution on both the one and the other side has been that neither of them believes any longer, or does so in an ever-

diminishing measure, that a settlement of the German problem is possible according to their formula, or that they can impose their formula upon one another. This might lead them to conclude that it is necessary to find a third formula, independently from the two original ones which have proved unacceptable. They were founded on the idea: German unification first, and the peace treaty next. The third formula might be: the peace treaty first, and German unification next. The new Soviet proposal regarding the peace treaty might possibly represent the basis for seeking out such a third formula.

As is known, one of the fundamental difficulties in the settlement of the German problem has lain in the contrasting attitudes regarding the method of German unification. The Western Allies have firmly adhered to the method of unified elections, regardless of the existing division of Germany. According to this method, unification would actually be effected through such elections, which would produce integrated organs of political authority on the whole territory of Germany, while the numerical ratio of the population and its political organizations would decide about the state, political and social organization of future Germany.

Such a Western formula might still have seemed feasible, (theoretically) at the time of a Germany divided into occupation zones, at which time it had in fact been constructed in an abstractly conceived unified Germany, and when it was still effective and had a foundation in the mutual relations of solidarity of the anti-Hitlerite coalition. But matters have essentially changed since. The occupation zones have been turned into states, which have consolidated their international status, concluded various alliances, formed their state constitution, developed and consolidated different political and social orders, assumed different international obligations, and, by dint of their very existence, engaged the interests of third countries also. And not only have those occupation zones turned into separate states and founded their special systems of international relations, but those separate states have become factors in opposed systems of the security and policy of the great powers. All these factors, according to and on the basis of which policy is built, do not depend on whether a side whose interests they do not suit will recognize them or not.

A simplified formula of unified elections disregarding all these elements has become inadequate and impossible of realization not only on account of the fresh contradictions which have emerged among the German people itself, but on account of the contradictions rendered acute through the organizing of opposing military systems, in which both German states have become incorporated. — All these changes have engendered the need to seek a solution of the German problem consonantly with this new legal and factual, political and military state of affairs, which cannot be removed by simply ignoring it unilaterally, as the formula of preliminary unified elections tends to do. The lack of reality of such a formula had been becoming more and more obvious.

That this new state of affairs cannot be removed by simply ignoring it, nor that the procedure of unified elections can be grafted upon it, seems to have started dawning also upon those Western circles which had invented the formula in the first place, tenaciously adhering to it ever since. Even such a die-hard defender of the Western formula for German unification like Dulles has been impelled by reality publicly to pronounce that of which probably he was not convinced before: that unified elections are not the only way to German unification. Cautious as he sometimes is, the U.S. Secretary of State did not cite on that occasion any of those other possible ways, yet this does not detract from the interest which this public and unfinished contemplation on German unification has provoked. In a subsequent press statement, though, Dulles did recall some other examples of unification which he had found in the history of his own coun-

try. In following these thoughts of Dulles's about unification, it is characteristic to note that, among others, he had cited the example of the unification of the United States of America which had been realized „by legislative action of the states, not by some general elections“, which might just about approximate the Soviet suggestions about Germany.

Beside the Secretary of State Dulles, one of his closest associates, Undersecretary Murphy, writing in an American magazine, has taken a confederation into consideration possibly as the first stage in the process of German unification. This statement, like that of Dulles, has been neither official nor committal, yet, for all that, it does indicate the possibility of a certain evolution in the American attitude which might lead to convergence between the two sides on a vital issue. We know, namely, that the Soviet Union, too, in its own study of the German problem, has hit upon the idea of a conference. It does not have to be the same idea, yet it might be at least the same starting premise, which would still mean something in the meagre balance-sheet of points of contact between the U.S. and Soviet theses.

In contrast to the Western formula about unified elections, the Soviet Union has espoused the thesis of German unification by way of agreement between the two German states. Hence, the Soviet thesis has taken into consideration all those elements which the Western formula had ignored: both the existence of two German states, and the danger from applying the numerical ratio for the rights of the smaller German state, and the danger to own security from a full German integration into the Western political and military systems. The Soviet formula is founded on the factual condition of the German problem and all its factors, to which it gave more consideration than the Western formula, whose abstract and doctrinarian formulation concealed quite realistic aims and the unilateral interests of the Western Allies. But even such a Soviet formula was not realistic if it is appraised from the point of view of the possibility of its acceptance by the other side and conduciveness to the peace treaty.

Beside the other aspects connected with the system of European security, the German problem has constituted not only a problem of the unification of the German people, but a problem of the conclusion of peace with Germany. Both the previous formulae, the Western and the Soviet, had presupposed German unification as a task to be carried out before the conclusion of peace. All the discussions conducted thus far have revolved and clashed about the problem of German unification, while the need, not only German, but general, to conclude peace with Germany and thus legalize the situation in the central area of Europe seemed forgotten. A sequence thus established for the solution of the German problems hails from the time of the occupation of Germany, when a representative and authoritative organ was missing on the German side who could have assumed the obligations from the peace treaty for Germany and the German people.

The Soviet draft of the peace treaty — regardless of the solutions suggested on the individual aspects of the German problem which, beside the old, might give rise to fresh differences — is primarily characterized by a new approach to the German problem, to wit, no longer by way of German unification, but by way of conclusion of the peace treaty. According to the Soviet proposal, the peace treaty would be concluded with two German states, which, each within its own framework, would assume identical obligations involving liquidation of a state of war and the consequence of war and international responsibility regarding the fundamental premises of a democratic order and the interests of European security. If such a treaty was inconceivable while Germany represented occupation zones, it is conceivable today when two organized states exist on her territory.

The fundamental thesis in the Soviet draft of the peace treaty is that the problem of German unification, due to which a treatyless condition, dangerous to general peace, obtains in the central part of Europe, be sidestepped and that first a legal condition be established in that part of Europe in which, under joint international guaranties, a system of international obligations of the German people would be organized, its rights guaranteed, and the interrelations of the powers concerned delimited. Within this legal framework, the process of German unification could develop under normal conditions and by stages whose forms and duration would be determined by the German people itself. One such stage might be represented by a German confederation, which the Soviet Government had suggested even before and which, as we have seen, slowly and gradually, still with restraint and unofficially, is being arrived at on the other side.

Apropos Murphy's mentioned allusion to a confederation probably, Dulles had been asked by journalists what he thought of it. He answered that he disliked using that word because it had political implications of various types. If confederation really can mean „anything“, then perhaps something might be found in it on which the two sides might be able to meet halfway.

At any rate, confederation is not a form of state orga-

nization which would be unknown to the German people or which has not existed in its history before. On the contrary, in laxer or firmer forms, the system of state federation, pure or mixed with combinations of a federal state, represents one of the traditions of the German state and German constitutional law.

However, regardless of what the chances are of agreement being reached on the concrete form of the confederation, even provided that it were accepted on principle as a basis for the first stage of German unification, which today is not entirely unlikely any more, the Soviet project for the peace treaty does comprise a fresh ingredient. This fresh ingredient occurs in the proposal to change the point of departure in the settlement of the German problem and, instead from unification, to start from the conclusion of peace treaty with Germany such as she exists today, not such as the individual interested powers would wish it to be, accepting as her representatives toward the outside the responsible state organs of the two German states who as such are acting internally and bear a political and international responsibility on their territory. Even if this did not settle the German question integrally, it might largely solve the question of European security and open more realistic avenues for the settlement of the question of German unification.



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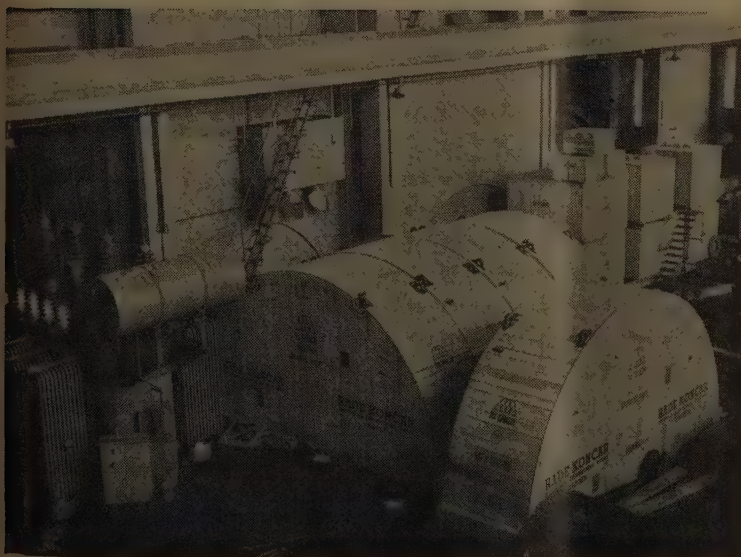
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New Monetary Measures in Western Europe

Đorđe LAĐEVIĆ

THE comprehensive monetary measures which were introduced in Western Europe toward the end of last year constitute an important phase in the post-war economic life of the relevant countries. The passing to convertibility, if of a limited scope, represents a crucial step toward the multilateralization of international payments and international trade, marking the implementation of the principles whose significance has been emphasized in the preambles to all the major international instruments since the last war. After the wave of devaluations in 1949, the measures which were enacted recently represent the first more significant collective decision in the monetary field whose effect cannot be accurately gauged yet.

What is the substance of the measures which have been enacted? The ten countries which were the first to make the historical decision — Great Britain, France, Western Germany, the Benelux countries, Italy, the three Scandinavian countries — as well as the two countries which had subsequently joined the collective action — Austria and Portugal — have introduced convertibility of their currencies. We may also count Switzerland with them whose currency has always been convertible in the widest sense of the word. The convertibility which had been introduced by majority of these countries represents a limited convertibility, „convertibility for aliens“, viz., foreign holders of the so-called transferable accounts have become entitled to convert into dollars their deposits under these accounts which have accrued from the so-called current transactions. In a majority of countries (except Western Germany and Belgium) this right has not yet been granted to their own citizens, who in their monetary transactions with abroad are still subject to the national foreign exchange control regulations, especially those prohibiting the free

export of capital and restricting the volume of the non-goods payments abroad. In a majority of countries the volume of the direct imports from the dollar area still remains subject to the effective quota system. As a result, the newly-introduced convertibility does not spell a complete abolition of discrimination in international trade, although many countries, having been afforded the possibility to convert their claims in other countries into dollars, are expected to utilize this possibility to purchase dollar raw materials and other dollar commodities for which they have been unable to pay before. The newly-introduced convertibility does not signify, either, a return to the gold standard, nor even to the gold-foreign-exchange standard which was effective before 1929. However, it definitely means the first phase in the development toward complete convertibility, which will have the same characteristics as the gold-foreign-exchange standard.

Introduction of convertibility had led automatically to abolition of an institution that has played a very important role in Europe since the war — the European Payments Union. The system of the multilateral clearing and credit mechanism of the European Payments Union has made after the war for a surging development of mutual trade and service activities in Western Europe and it is thanks to it that the over-all mutual trade of the member countries of the Organization for European Economic Co-operation has reached its very high level today. Through the simultaneous introduction of convertibility on the part of a predominant number of this Organization's members, the conditions had been realized for the coming into force of the European Monetary Agreement, concluded as long ago as 1955. The characteristic of the system which will be inaugurated with the coming into force of the new Agreement occurs in

that the clearing system will increasingly be replaced by a free market for foreign exchange and, more important still, that, in the place of automatic crediting of deficient countries by self-sufficient countries, regulations will take effect providing for 100 per cent settlement of claims in gold, subject to certain stipulations. It is true that the new agreement provides for credit granting to deficient countries from the common European Fund, but automatic credit granting and the right to credit is abolished thereby; each application for credit will be subject to separate examination henceforth.

It is interesting to note the circumstances which have surrounded the introduction of the new measures. According to the original version it had looked as if Great Britain had decided to introduce convertibility of its currency with the idea of parrying the adverse consequences threatening her economy up to the formation of the Common Market, given the circumstance that the negotiation which were conducted toward the establishment of a wider integration area in Western Europe — the Free-Trade Area — had become deadlocked and that there was a danger of Western Europe becoming divided into two separate trade areas.

The political import of the new measures lies in that that danger has been averted at least for the time being. With joint efforts, indicative of a considerable degree of creative imagination among the West European statesmen, the dark clouds that had gathered over Western Europe had dispersed suddenly, making room for a sunny atmosphere charged with real or artificial optimism. It turned out, namely, that the British decision does not represent a unilateral act and an antagonistic move, but that it only forms part of a well-synchronized collective action.

The idea about the need to introduce „convertibility for aliens“ had originated in Great Britain. That country had been the principal initiator of the action for the conclusion of mentioned European Monetary Agreement in 1955. Later on, owing to her payments difficulties, Great Britain had visibly cooled toward that idea. Western Germany became the chief protagonist of the thesis about the need to introduce convertibility, that country deeming that its interests enjoined to force an abolition of the European Payments Unions as soon as possible, so

that it could stop the process of continuous indebtedness inside the Union and collect the claims which were growing constantly thanks to the automatic operation of the credit system of the European Payments Union. However, there was a tacit gentlemen's agreement that no country shall proceed to introduce convertibility on its own, for which reason the European Payments Union was kept being extended from year to year. The paradox of recent developments lies in that the initiative for the measures which were issued in late December did not originate from Western Germany, nor even from Great Britain — although the last had foreshadowed the possibility of that measure at this year's meeting of international financial institutions in New Delhi — but from France, a country, that is, which could very logically have been presumed to be most interested for the maintenance of the European Payments Union. What were the motives prompting France to such a step? The answer occurs in the complex of internal political circumstances ensuing in France with the coming into power of General de Gaulle and which forced that country, involved as she is in a painful war in Algeria, to undertake an energetic overhaul of its financial and economic situation. An additional circumstance forcing France's hand was that the concrete provisions of the Common Market Agreement were to come into force on January 1, involving a 10 per cent reduction in customs tariffs and enlarged quotas in the mutual trade of the member countries. France was apprehensive lest she entered the new combination with an inflated level of internal prices, which pacity of her economy not only on the markets of the six countries belonging to the new economic union, but on the internal market, from the moment when this becomes open to a larger influx of foreign goods. Currency devaluation was to have been the first step toward adjusting that country's competitive capability to the new conditions. The French leaders knew, though, on the basis of their experience from earlier devaluations, that a fresh devaluation solves nothing by itself unless the causes of inflation are eliminated simultaneously, that is to say, unless it is accompanied by a series of concurrent measures for sanification of state finance and the

whole economic system. We do not propose to go here into a detailed review of the character of the financial and other economic measures recently introduced by the French Government, parallel with the decision on devaluation and the introduction of convertibility, but we have to underline that those have been manifestly deflationary measures, with a certain edge against the interests of organized labour and peasantry. It is important, however, that France has pegged her new devaluation to the establishment of the so-called hard franc, i. e., the substitution of the old monetary unit by a new one at the rate of one to a hundred, and the introduction of partial convertibility. According to the idea of the French Government, the fact has to be highlighted that the „heavy franc“ represents a fresh start, while the simultaneous introduction of convertibility reflects a firm resolve to protect the new parity of currency with more tenacity than the earlier parities of the „soft“ franc and the inflation-ravaged old franc had been protected. The new parity of French currency has been registered at the International Monetary Fund, thus assuming international obligatoriness. There has been one other circumstance which caused the French leaders to buttress the new French franc by introducing convertibility. It is the fact that in France there is an enormous internal hoarding of gold and that individuals have large deposits abroad which they have managed to keep secret thus far. The total value of this sterilized property has been estimated by the Ruef Committee of Experts, which worked out the lines of economic policy, at the huge sum of 10,000 million dollars. France is the only country in the world which can solve the problem of gathering of foreign exchange reserves by a purely internal action. By inspiring confidence in the stability of the new French currency, the French Government desires to replenish the official gold and foreign exchange reserves by unfreezing internal hoarding and encouraging repatriation of her citizens' property from abroad.

The French monetary reform and introduction of partial convertibility have been made possible by considerable credits (totalling 250 million dollars) which had been made available to France by the issuing banks of other European countries and by credits from two American private banks (amount-

ing to 200 million dollars), as well as by her own reserve of foreign exchange, which at this moment does not exceed 1,000 million dollars. As a result, that country's situation is not specially brilliant, which is also true of the situation of some other partners in the large undertaking of introducing convertibility — Norway and Denmark. The remaining West European countries, as has been correctly established by the director of the Monetary Fund, Jacobsen, are proceeding to introduction of convertibility from positions of strength. This is primarily true of Western Germany, whose situation is uniquely favourable, of Italy, which country has succeeded for the first time since the war in achieving a favourable payments balance and amassing over 2,000 million dollars in gold and foreign exchange, of the Benelux countries and Sweden. However, the most important point is that Great Britain had succeeded during 1958 in raising the foreign exchange reserves of the sterling pool from the 2,200 million dollars to over 3,000 million dollars. Also, some trends in the world economy have favoured the position of West European countries at the moment of introducing convertibility, viz., the continued adverse payments balance of U.S.A. ever since the third quarter of 1957 and improvement of their terms of trade toward their overseas suppliers of raw materials. Then, too, of late there has been an improvement in the possibilities to obtain short-term foreign exchange credits toward extension of the newly-introduced convertibility. We have seen that France had succeeded in obtaining short-term credits from American private banks, which is not only flattering to her credit, but represents an interesting symptom of revival of confidence. A great importance similarly attaches to the recent decision of the International Monetary Fund to raise the quotas linearly by 50 per cent, accompanied by a simultaneous extra increase in the quotas of Canada, Western Germany and Japan, whereby the Fund's available resources in gold and dollars will be raised from the 2,300 million dollars to 4,600 million dollars.

The drawing-together which has been realized between the six Common-Market countries and a group of the major OEEC countries through the joint decision to realize convertibility has been supplemented by other mea-

tures, too, which should make for a considerable minimising of the antagonisms generated by the failure of the efforts to realize the Free-Trade Area. One such measure has been the decision of six countries to extend, with certain limitations, the 10 per cent tariff reduction to all the OEEC countries and to all third countries subject to the most-favoured-nation clause; and another has been the decision of the French Government to raise the rate of liberalization of its imports from the OEEC countries to a scheduled 90 per cent. For now at least, this prevents a further deepening of the gulf between the six countries and the countries being candidates for the Free Trade Area, and it also extends the periods for realization of the Free Trade Area project. The prospects of the further development of trade inside the West European area are not as obscure as they were until recently. However, a new division is created between the hard-currency and the soft-currency countries both in OEEC and in the whole world. The obligation to maintain convertibility, if a limited one, might have unfavourable repercussions on the hitherto practice of comparatively easy granting of trade credits, and the abolition of the European Payments Union, with its system of automatic credit granting, will be bound to have a similar effect. All the mentioned countries will have to see in a larger measure than heretofore to balancing their payments and applying, perhaps in a somewhat modified and relaxed form, the classical rules of the gold standard game, including all the undesirable consequences this might provoke in their hitherto policy of full employment and economic expansion.

To us it does not seem that Yugoslavia has been specially affected by the establishment of „convertibility for aliens“ as a technical measure; it is even to be expected that the efforts toward increasing the transferability of our claims will be favoured thereby. Far more prejudicial to our interests is the policy of creating a Common Market and the Free-Trade Area. It is not to be expected that the recent more or less linear reduction of customs tariffs toward all most favoured countries will be duplicated in the further stages of realization of the Common Market. That was a unique case, being provoked by the need to pacify the prospective member countries of the Free-

Trade Area, and another similar move is not very likely to be made, for the reason already that by a repetition of such measures not a territorially limited economic union is achieved, but

a regimen of universal free trade, which definitely is not the intention of the Six Countries, nor even of the countries set on forming the Free-Trade Area.

Italy and Middle East

Sima BEGOVIĆ

THE brief but interesting trip taken at the beginning of the year by the Italian Prime Minister Fanfani confirms the impression that Italy is increasingly unwilling to be reconciled with the role of a mere extra, devoid of any influence on the international scene. Although the Italian Premier stressed on the eve of his visit that he was travelling as a loyal member of NATO, his initiative met with little approval among Italy's Atlantic allies. It seems that they are far from taking a benevolent view of either the latest or the earlier moves of Italian diplomacy to broaden its field of action and independent initiative.

Fanfani's trip is actually a result of ever increasing practical efforts to bring about a more resolute affirmation of Italian foreign policy in the Mediterranean and the Middle East. Under the guise of Atlantic solidarity it has all the marks of a policy which is striving to emerge from bloc exclusiveness and to adjust itself to the conditions and tendencies of contemporary international developments. This policy has already been discussed and considered in Rome for a long time. It has its staunch supporters and vehement adversaries. The younger, more dynamic representatives of the bourgeoisie, to whom the concept of state intervention in the economy is not alien, are apparently in favour of such an orientation, although confronted with powerful conservative opponents among the big industrialists in their own class. President Gronchi is a distinguished protagonist of the new policy, but his well-known ideas on neo-Atlanticism have still not gained full scope. Nonetheless, they are gradually undermining the foundations of the rigid „orthodox“ Atlantic policy, which has hitherto obstructed Italy to no little extent and prevented independent action in the domain of foreign policy.

Actually a more independent line of Italian foreign policy may be discerned since Gronchi's visit to Teheran in 1957, which resulted in last year's visit of the Persian Shah to Rome. It was in a similar spirit that Premier Fanfani took his January trip to Cairo and Athens, the capitals of the United Arab Republic,

an essentially non-aligned country, and Greece, which is a member of NATO. There are vast differences between these two countries, although they belong to the same geographical region. It may therefore be inferred that the direction of Italian diplomatic activity is traditional, i. e., the Mediterranean and the Middle East. This however does not apply to its policy. The fact that the United Arab Republic is opposed to the alignment of the Arab countries in any of the existing blocs has not prevented Italy from establishing closer cooperation with it, while stressing the principle of equal rights and equality.

This policy however, has aroused the suspicion of the other Western countries, because if it is true that the Italian Ministry of Foreign Affairs is traditionally inclined to uphold Italian prestige in the Mediterranean — and there is no reason to doubt it — both important inferences are valid. Among the western countries Italy was the first to realize that prestige cannot be preserved by obsolete methods, either here or elsewhere. Italy therefore introduced new elements and views into her policy, thus rendering it more attractive and understandable to the peoples of the Middle East.

This new attitude of Rome is vividly summarised by the Cairo daily „El Ahram“: „Italy came to the Middle East in the past with the aim of subjugating the Libyan people, for the Italians arrived as conquerors during the fascist heyday... This time Italy has come to build a bridge of friendly relations across the Mediterranean, over which mutual benefits will be exchanged...“

In point of fact Italian interest in the Middle East and Mediterranean never ceased, not even at the time of the Suez crisis. Her considerations and obligations toward her Atlantic allies have probably prevented Italy so far from committing herself more actively in this respect. The Western powers, primarily Great Britain and France, have failed to settle their outstanding problems with the United Arab Republic, which Fanfani visited during the first stage of his trip. Some other acts of the Western powers were likewise

not received favourably in the Middle East, such as the Eisenhower doctrine on the need to fill the „vacuum“ in those regions, US intervention in the Lebanon and British intervention in Jordan. In view of these and other factors, which testify to the inflexibility of Western policy in the oil-producing Middle East, it is understandable that the Arab peoples should manifest their distrust of such a policy. By contrast, Italy is no longer a colonial power, and is not considered as such among the Arab peoples with which she is linked (as persistently stressed in Rome), by certain cultural traditions. As she is not a colonial power, Italy has been able to grasp the significance of the historical changes that occurred in the Near East, while the countries which are struggling to preserve their former privileges are still finding it difficult to abandon their obsolete and unpopular political methods.

The new Italian orientation is invested with a far greater degree of realism, as it is based on the recognition of the legitimate rights and interests of the Arab countries and the awareness of the existing realities in the Middle East. Italian foreign policy has this new orientation to thank for its comparatively successful start in its efforts to revive its prestige in these regions.

Why were Italian efforts made in this direction?

First, the struggle for influence in the Mediterranean and Middle East is closely linked with the economic interests of Italy. Italian trade, more than that of any other Western country, depends on freedom of passage through the Suez Canal. Second, when the Treaty on the European Common Market takes effect Italy will doubtless be confronted with more competitive rivals, so that Italian economy is seeking alternative solutions elsewhere, primarily in the Middle East, where it hopes to assure a supplementary market for its products and surplus labour. Last but not least, there is oil in the Middle East, and Italy sees no reason why she should not seek for it there, all the more so as demand for this article in the country is growing steadily.

It is therefore logical that the visit of the Italian statesmen was preceded by that of Enrico Mattei, Director of ENI, the semi-official Italian agency for petroleum exploitation. He flew to Persia before Gronchi, and was also a guest in Cairo before Premier Fanfani.

It is now frequently affirmed that the most tangible proofs of Italian presence in the Middle East consist in the office of the ENI petroleum company on the Sinai Peninsula and the petroleum concession granted to ENI in the Persian Gulf by the Iranian Government.

If one should ask what the source of greatest annoyance is to Italy's Atlantic allies, the most likely reply would be: the

oil derricks of ENI. This is not because ENI's competition might eventually prove too strong, Italy is well aware of her limited capacities and there are certain indications that she has also been seeking the assistance of West German financiers. The Western companies were far more irritated by the fact that, when concluding the agreement on the establishment of the Italo-Iranian petroleum company, Mattei offered far better terms to the Iranian owners than the other foreign companies. Instead of a fifty-fifty arrangement, the Italian firm is leaving 75 percent of the total profits to the owners. This offer necessarily met with a favourable response in other Arab countries also, thus Italian foreign trade skilfully paved the way for diplomacy, and the Middle Eastern countries are looking to Italy with greater confidence. It is therefore no wonder that Fanfani's visit to Cairo was primarily a commercial success, which is recognized even by his political opponents at home. However, this state of affairs was not received with enthusiasm in certain British, French and US business circles.

Consequently the Italian line of policy, in the commercial and political sphere alike, differs both from the former policy of fascist Italy towards the Arab countries and the present economic policy and practice of the Western powers. Moreover, the USA are inclined to view every more independent political and business action of their allies with suspicion, so that they were all the more displeased by the „revolutionary convention“ of ENI. Great Britain and France have special reasons for their displeasure with what they call the „emancipating mission of the Moslem countries of the Middle East“ which Italy is endorsing.

Under such conditions Italian diplomacy is advancing slowly and cautiously, on the one hand as it does not wish to displease its Western allies because, when all is said and done, Italy has reaped notable material benefits from its membership in the NATO, and on the other because it does not wish to wound the susceptibilities of the Arabs, but desires to convince them

that there are countries in the west which understand their needs.

Attempts to chart a middle course and steer clear of these troubled waters makes the Italian move resemble a medal with two sides. On one side is engraved „sincere wishes for peace and fraternity in the Mediterranean in the spirit of the United Nations Charter“, as stated in the communiqué issued after the talks between Premier Fanfani and President Nasser. This, of course is not the exclusive merit of Italy. But it is true that she is urging with ever greater insistence that the Arab countries be treated as equal partners: she realizes the need of international assistance for the development of these countries, as such aid would contribute to the creation of the necessary conditions for peace and progress in this vitally important region (as noted in the communiqué on the Greek-Italian talks). On this side, Fanfani's visit and the principles proclaimed on this occasion — if they do not remain dead letters on paper but become an integral part of consistent practice — could be included among those positive steps which express the need to strengthen international trust and cooperation, on the basis of equality, freedom and assistance to the under-developed countries.

On the other side of the medal is engraved the NATO flag, which Fanfani waved insistently, perhaps for the purpose of reassuring the Italian allies. It seems therefore that he was warned in Athens that an approach under bloc slogans might arouse the mistrust of the Arab peoples. On this side of the medal are also engraved the idea (attributed to Fanfani) of the creation of a Mediterranean pact, or a Committee for Mediterranean problems, within the framework of the Atlantic pact. It is hard to believe that such combinations would contribute to the development of positive and progressive tendencies on the international plane.

Taken as a whole, Fanfani's Mediterranean tour is on the one hand a reflection of a policy which constitutes an objective negation of bloc tendencies, while on the other still hampered, by the alignment of Italy in a bloc in whose name she professes to act.

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Quiet Spell in Paris

Vojta ĐUKIĆ

SINCE Michel Debré, the first Prime Minister of the Fifth Republic, proclaimed his investiture in the Palais Bourbon, a period of calm seems to have descended on Paris. It may seem at first sight that France is experiencing its first quiet spell after the tumultuous events that followed each other in close sequence from May 1958 to January this year. It is as if a great many of the grave problems which oppressed France in the post-war period had been solved by the mere arrival of General de Gaulle in the Elysée Palace and the setting up of the Debré Cabinet.

With the exception of some measures on the internal economic plane which, in character and scope, should rather be considered preparations than the sweeping interventions on which the conception of the ruling present administration seems to be based, there were no major steps which would hint at the future orientation of the Fifth Republic, either in the internal or the international sphere.

It would of course be premature to expect, within relatively so short a time, a precise orientation which would aim at changing the physiognomy of the country and fulfilling the great dream of General de Gaulle, the creator of the Fifth Republic: to put an end to the threat of economic chaos in France which has been hanging over her for a full thirteen years, and to enable her to rejoin the ranks of the big powers which are playing the decisive roles on the international scene. This process requires a great deal of courage and considerable time, as it does not depend on ambitions and wishes alone.

Nevertheless, even in such a state of affairs, present-day France differs notably from before the advent of de Gaulle, especially internally. The measures taken so far, irrespective of their partial character, are a reflection or part of a programme which is conceived as an "effort of the whole nation" to embark on the road of restoring the economic life of the country.

This policy, which requires the concerted effort of the whole nation and the sacrifices of all, owing to the composition of the government, will apparently attempt to bring about the new "Poincaré miracle" by demanding and obtaining the greatest sacrifices from those who have the least, namely, the workers and employees. And it is unlikely that this section of contemporary French society,

which accounts for almost two-thirds of the total population, will readily consent to the sacrifices demanded by a doubtful future. The French bourgeoisie brought de Gaulle and Debré to power in order to save their skins and interests. And in the long run they will primarily, if not exclusively, cater to the interests and aspirations of this stratum. The French workers will have to continue to struggle — but now under far more difficult conditions — for their rights. The present lull is not a symptom of reconciliation with fate, but of expectation and recovery from the defeat suffered at the parliamentary elections.

The hopes and previsions that the new French Premier, speaking from the position of power vested in him by a vast parliamentary majority, would clearly define the French foreign policy, were not fulfilled, at least not in the sense of anything new and decisive. When defining the policy of his government Debré spoke the language of his predecessors, the only difference being that he managed to promise less and to be more enigmatic than they were, vouchsafing only a few sentences as a basis for comments and speculation.

The greater firmness and confidence evident in the pronouncements of Debré were due rather to the position from which he was speaking than to his conviction of the feasibility of the aims discussed. De Gaulle's idea of a great France on a grand international scene was also adopted by the new Government because the General's figure stands in the background and because nobody can foresee the General's moves in advance or speak to him in the same manner as to former governments and presidents. De Gaulle's enigmatic silence is a great source of worry not only to Western commentators, but also to statesmen, who are no longer certain that France will agree with what they consider the necessary measures, both with regard to the management of family affairs within the NATO and with regard to the other camp.

Debré's words on the need of coexistence were received throughout the world as a great novelty in French foreign policy. Many were inclined to seek this phrase, formulated within a broader context, the elements of something new, which might reflect on the general international situation. Since the time of this statement, ho-

wever, no French initiative has taken place which would bear out these somewhat hasty predictions. Needless to say, it is impossible to judge the international policy of a government on the basis of a few scant elements, but it is significant that France has not profited by the inertia of the other Western allies to make her voice heard, all the more so as there have been ample opportunities for such openings.

The deadlock on Algeria, the crucial French problem, continues. And the statement recently made in the Palais Bourbon on the "need to remain in Algeria" was not welcomed by anyone who wishes the bloodshed and suffering to cease. These words were all too reminiscent of Lacoste's well known "last quarter hour before the final defeat of the enemy", those fifteen minutes which were prolonged into several years of mutual hardship and suffering. The disappointment is all the greater in the light of de Gaulle's previous fairly encouraging statements, and because the conviction had somehow gained ground that the line pursued by the former governments, which failed to yield any positive but only disastrous results, would be definitely abandoned.

Objective and realistic judges of the situation and chances of the belligerents in Algeria have long considered that direct negotiations between Paris and the temporary Algerian government constitute the only possible solution. In view of the psychosis artificially built up in France over the years this would be a magnificent move. And a man to whom greatness has become an obsession might give the world another big surprise and seek a remedy for the Algerian sickness in negotiation, all the more so as certain positive elements, such as the release of internees are still only secondary acts, and not likely to have any effect on the general situation in Algeria.

Perhaps the present lull is a necessary respite which will enable the marshalling of forces for far broader moves, which would correspond to the wish of all who have peace in Algeria at heart. If this were so the quiet spell would make sense.

Get Acquainted with Yugoslav Industry and Foreign Trade



»ISKRA« — KRANJ

Great Factory of Electrotechnical and Precision Engineering Products

KRANJ, an ancient small town, is situated in the westernmost corner of Yugoslavia, on the main railway line linking Northern Europe with Asia Minor. For its picturesque position, among the highest Alpine peaks of Yugoslavia, Kranj is well known to tourists. But better than to tourists, the town is known among the people of the country for the important industrial enterprises located there. In the country Kranj is nicknamed the „Manchester of Yugoslavia“ for the numerous textile mills and the prominent part the textile industry is playing in the industrial development of the town.

Handicraft and industrial tradition in Kranj are very old. To tanning and gun-making, some time past textile manufacturing has been added, and after the last war, as a newcomer, the factory of electrotechnical and precision engineering products „ISKRA“ has been set up. The comparatively densely populated area as well as the tenacious and industrious type of the mountaineers of the Alpine region are always at hand to supply first class labor, and the immediate vicinity of the cultural center and university town of Ljubljana, supplies the required highly skilled and educated technical staff. If we add to the highly skilled and trained labor force an abundant supply of energy from the mountain rivers as well as excellent transport facilities in all directions, it will be easily understood why the town of Kranj has developed into one of the most important industrial centers of Yugoslavia.

In the buildings of a former textile mill the new enterprise started work in 1945, and after a while was named „ISKRA“. From the first, modest beginnings with some 100 workers and employees in the

course of a few years developed an important, well organized factory with about 4000 workers and employees. At present ISKRA is a modern enterprise with all the characteristics of big series production. Its electrical instruments, cinema projectors, telephone exchanges and sets, selenium rectifiers, electrical equipment for motor vehicles and other products are by their quality and quantity meeting not only the demands of the domestic market, but are finding from year to year an ever increasing affirmation in many countries of the world.

A walk through the workshops and assembly departments of the ISKRA factory makes a deep impression on every visitor. The impression of order, cleanliness and discipline is only completed by the sight of the perfectly laid-out and equipped working places. All manufacturing processes as well as work on the assembly lines are performed in conformity with the most modern methods and by applying the latest achievements

and developments in the field of work technology and work-place studies. Great care for every singular worker and his feelings during the work will be noticed at first sight, but at the same time also the will to increase labor productivity as far as possible. It becomes evident that hundreds of thousands of hours of studies and efforts have been spent to improve the organization of production, to design and build the high precision tools and jigs which in every detail are built in the factory's own toolroom.

Particular attention is paid to production control in all phases of the manufacturing processes. A well organized control not only ensures the uniform and already well known high standards of quality but at the same time considerably reduces the losses caused by parts and articles of inferior quality. Only in such a way it is possible to bring the percentage of rejects down to an insignificant level, and in fact this percentage is here less than 1 per cent. It is only



The ISKRA Factory — Kranj

Assembly line of electric Watt-hour meters

natural that the production control has at its disposal all the necessary laboratories equipped with the most modern, high precision and costly instruments.

The heart of the factory is the development and designing department. All ISKRA products are the result of the work of ISKRA's engineers and technicians and have been developed in the factory's own laboratories. Five big laboratories are constantly engaged in the study of all developments and progress made in its particular field, and are working permanently on new and better products. ISKRA is without any doubt one of the few factories, which from the start already has relied on its own forces. By making considerable efforts and expenses for the specialisation and further training of its technical staff, the factory has had also the expected results.

The vast assortment of products of the ISKRA Factory may be divided into 5 main groups, each of which is developing independently and in its own way.



35 mm-Cinema projector for Cinema Scope films with 4-channel sound

The line of development is mainly dictated by the necessities of the economic development of Yugoslavia and the raising of the living standard in the country.

The ISKRA factory played an important role in the intensive development of cinema-theaters all over the country, by supplying all types of motion-picture projectors for the projection of sound films of all systems distributed by film distributors all over the world. The factory manufactures not only projectors but also



all necessary accessories including rectifiers, amplifiers and megaphones for cinema and theaters up to biggest capacities. On the Film Festival at Pula, in the antique arena seating over 10,000 people, an NP-21 projector built by ISKRA is giving a brilliant picture 26 met long.

The development of the motor industry in Yugoslavia during the last few years is making a spectacular progress. It is rightly expected that before long this industry will meet all the demands of the domestic market. As a subcontractor the ISKRA factory has undertaken to supply the motor car and motor cycle factories with part of the electrical equipment and accessories such as generators, starter motors, tension regulators and ignition coils. The quantity and assortment of these articles is increasing from month to month, and this line of products will be before long one of the most important ones in the factory's manufacturing programme.

ISKRA was the first factory in Yugoslavia to start the production of automatic telephone exchanges and various types of telephone sets. In this field the factory is manufacturing all models of local and private branch (PBX) exchanges, as well as exchanges for city communication and railway telecommunication equipment. The automatic exchanges are of the "step by step" and "crossbar" system, incorporating all the latest technical achievements so that they are up to the severest standards of modern telecommunication requirements.

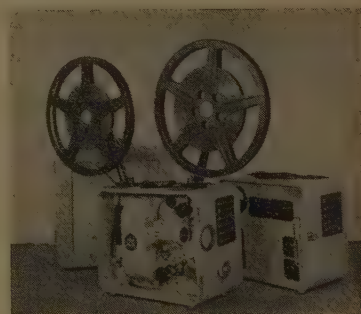
A separate group of products is represented by the electrical measuring instruments. All sorts of portable and panel type, laboratory and universal instruments are covering all necessities of the electrical industry. Besides these instruments, ISKRA is proud of manufacturing internationally acknowledged Watt-hour me-

ters, of which the millionth unit has left the factory already some time ago.

Of no lesser importance is also the work on the development of production methods for semiconductors, and selenium rectifier columns are manufactured in series as well as other types of rectifiers.

The above short description of the articles manufactured by the ISKRA factory is only an indication of the direction in which the activities of the factory are directed, but does not give all the details. The number of certain articles in a given group is going into the hundreds and is increasing according to the demand of the markets. Production is going in step with the demands of the customers and is respecting these in every respect, by observing carefully the trend on the market.

In order to be in the closest possible contact with the market and to satisfy its customers as far as possible, branch of-



Sound film projector for 16 mm film, Mod. OP-2

fices, sales rooms and service facilities have been built up in all more important towns of Yugoslavia. Direct contact with the customers, exact knowledge of their



cilitating of annual holidays on the seaside or in the mountains at low cost, etc.

In order to ensure a continuous afflux of highly skilled labour the ISKRA factory has its own 3-year industrial school, in which annually some 200 pupils are trained. On the Universities an average of 30 students is studying under ISKRA scholarships. Besides this, there are in the factory itself training courses and seminars to raise the level of professional skill and knowledge of the staff.

For a considerable number of its workers the ISKRA has built extensive housing settlements, and for the annual holidays the factory has in several places its own „hotels“ and a number of weekend houses and bungalows. Next to the factory there is a well organized and equipped infirmary with permanent medical and dentist's services for all members of the factory's collective and their families. In the factory mess and restaurant the workers and employees may have meals at small cost, or get there a cold or warm meal during the daily break.

All this indicates clearly that the ISKRA factory is fully meeting all economic and social tasks set to it. The factory is supplying the Yugoslav economy with a great number of necessary products and in this way reduces considerably the imports and the expenditure of valuable foreign exchange. The factory is offering to thousands of families remunerable work and a life worth living. By its exports the factory is contributing its share to the Yugoslav foreign trade. And last but not least, the ISKRA factory, by its excellent organisation, modern production methods and processes is representing a model, assisting other factories in their activity and work.

Therefore it is only understandable that the ISKRA factory is held in high esteem by all business circles of Yugoslavia. It may even be said that the factory is known by all the people of the country. Besides this, there is daily an increasing number of business people all over the world to whom Yugoslav economic possibilities are conveyed by the ISKRA factory, and these circles are reckoning with the ISKRA factory as with a solid and reliable business partner.



requirements and needs is the only safe way to reliable production programmes and plans, to correct sales estimates and thus to profitable activity of the enterprise.

From the above it is quite evident that the ISKRA factory represents in Yugoslavia an important organisation for the manufacture, desing and maintenance of a number of electrical and precision engineering products of great importance. Moreover, this comparatively recent factory has already established numerous business relations in a number of countries all over the world. Its products are exported to over 30 countries, among being Austria, Bolivia, Burma, Chile, East Germany, Egypt, India, Syria, Turkey, etc.

The excellent organisation of the factory, the continuously increasing productivity, the well known quality of the products and the close contact with the markets are without any doubt the result of the workers' self-management, under which the manufacturing enterprise as an economic unit is profoundly interested in the successes of its activity. The independence and autonomy of every enterprise is imposing on the organs of management a heavy responsibility towards the whole society and in particular towards the workers and employees of the enterprise itself. Because part of the net profit of the factory is distributed among the workers and employees of the factory, it is only natural that not a single member of the factory's collective is indifferent as to what and how his enterprise is doing. Every member of the collective being financially interested in the prosperity of the factory, and the factory being independent from other economic enterprises in the country, an incentive has been created, which stimulates every individual to work to his best ability and to exploit thus the

production facilities of the factory to the fullest extent.

Under the workers' management the factory is managed by the Workers' Council, which is elected among the workers and employees of all factory departments, the commercial and service branches included.

The Workers' Council manages the factory through the Board and the General Manager, and takes definite decisions in all essential questions, such as e. g.: the manufacturing programme and assortment of products, the distribution of the disposable financial means, new investments, the solution of social problems concerning the workers and employees of the enterprise, etc.

It is evident that under such conditions well organised working places and a high discipline in the workshops are no artificial creations, but a necessity and a demand of every individual. To the worker the most comfortable and safe living conditions are to be ensured, not only during his working hours but also after, when he is leaving the factory. To achieve this end, not only the whole policy of distribution of surplus wages to individuals in the form of premiums, rewards and participation in the distribution of net profits, but also a number of other activities and acts is serving, with the aim to raise the living standards of the worker and to solve a number of other questions related to the labour force and technical staff of the factory. As some of such questions, may we mention the construction of apartment buildings, contributions to various cultural and sports associations, organisation of the factory's own medical centre and services, care for such members of the labour force which do not take their meals at home, assistance in and fa-

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— Velika Plana —

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Yugoslav Arts and Crafts

Branko JAPUNDŽIĆ
Secretary of the Federation of Yugoslav Crafts Chambers

THE fundamental problem of Yugoslav arts and crafts occurs in a considerable disparity between the existing craft establishments and the constantly growing demand for craft products and services on the part of society and the economy. This disparity is manifest in a general scarcity of craft workshops and service establishments and a constant price rise of craft services.

The tabulation below shows the number of craft workshops and craft workers at the end of 1957:¹

	Number of workshops	Percent	Number of workmen	Percent
Social crafts	9,699	7.4	152,736	49.5
Individual crafts	122,908	92.6	156,139	50.5
Total	132,607	100.0	308,875	100.0

In relation to the total population of Yugoslavia, in 1957 there was one craft workshop to every 136 inhabitants, and one craft worker to every 58 inhabitants. In industrially developed Belgium, for example, there is one craft worker to every 35 inhabitants.²

These data on the number of craft workshops and workmen at the same time reveal that major establishments employing a larger number of workers predominate in the social sector of arts and crafts, while individual crafts mainly include the owners of private craft establishments (craftsmen on own account as a rule operating alone or employing from 1 to 5 workmen. Such a composition of crafts complicates even more the problem of coordinating the prices of craft services and products with the general level of prices in Yugoslavia. Craftsmen on own account, liable to capitalist tendencies, seek to realize prices in excess of the actual cost plus a normal profit. At the same time one should note that one-half of the labour force engaged in arts and crafts is employed in the private sector, and that this sector accounts for about 50 per cent of the national income deriving from arts and crafts.³

The following index numbers show the movement of prices of craft services compared to other branches of activity (base 1952 = 100).⁴

	1953	1954	1955	1956
Manufacturing	98.0	100.0	104.5	106.1
Agriculture	99.3	110.5	134.0	139.2
Construction	107.1	122.3	131.3	131.3
Crafts	116.0	133.6	144.0	146.3

1 Report of the Federation of Chambers of Arts and Crafts of Yugoslavia, 1957, p. 8.
2 Report of the Federation of Chambres of Arts and Crafts of Yugoslavia, 1955-56, p. 40.
3 Index", No. 12, 1957, p. 40.
4 Report of the Federation of Chambers of Arts and Crafts of Yugoslavia, 1957, p. 42.

The disparity referred to above as the cause of a constant price rise of craft services and products is intensified by the poor technical equipment of crafts, which is reflected in high operating costs and the price structure.

Unquestionably the material base of Yugoslav arts and crafts is deficient. Yugoslavia's post-war development has naturally been directed toward the promotion of industry in the first place, which left arts and crafts lagging in their development. During the ten-year period 1947-56 the gross investments made in crafts aggregated 22,000 million dinars, or about 0.2 per cent of the over-all investments, economic and non-economic, made in the whole country; during the same period, for example, 136,000 millions were invested in the development of commerce and 115,000 millions in the development of construction; also during this period, 1,906,000 million dinars had been invested in industrial development; all at 1956 prices.⁵ The value of basic assets in the social sector of crafts at the end of 1957 equalled 17,784 million dinars, or an average of about 120,000 dinars per worker in that sector. It is estimated, though, that the minimum technical equipment of crafts should amount to a value of about 250,000 dinars per worker (as is the case in the People's Republic of Slovenia for example), although even this would be far below the technical equipment of crafts in some developed countries. It is estimated that the proportion of obsolete equipment, i. e., disused basic assets, in Yugoslav crafts averages about 40 per cent for the whole country, which fact, of course, considerably affects productivity of labour in this economic branch.

The poor material condition of Yugoslav crafts — the mentioned social investments notwithstanding — is having an adverse effect also on other economic domains, since the rapid development of industry, agriculture and transport has been giving rise also to an increased demand for craft services on the part of these branches. Generally speaking, too, the increased demands of the growing standard of living in Yugoslavia are necessitating a quicker and more coordinated development of the craft economy as well. The lag in the development of this economic branch, beside the objective reasons (the incapability of the social community to allocate larger resources to arts and crafts), is partly the result of subjective factors, too, that is, a lack of understanding of the significance and function of arts and crafts in the modern economy of a country. It had been considered that the promotion of a modern industry in Yugoslavia will substitute arts and crafts and that these, as a backward economic branch, lack an economic justification for their further maintenance and development. It was soon realized, however, that, parallel with the industrialization of the country, it is necessary to plan for the promotion of a modern craft activity as an economic branch freed from primitive manual work and relying on up-to-date techniques and the development of Yugoslav industry itself. The concept came to prevail that crafts in Yugoslavia — as a still underdeveloped country — will have a significant function for a fairly long time not

5 Bulletin of the Yugoslav Investment Bank 1957.

only in connection with those products and services which cannot be furnished by industry, but with those domains in which industry is beginning to replace crafts integrally. In addition, while certain crafts have been disappearing, on one hand, economic and social development has been calling for and creating fresh occupations and fresh crafts, on the other.

Such a conception of the function and perspective of arts and crafts is manifest in the Social Plan of Economic Development of Yugoslavia 1957-61, which schedules the following for their promotion.

In order to realize the investment projects, create the conditions for a superior utilization of the enlarged industrial and agricultural capacities and increase the service activities for the needs of the population, provision was made for the attainment of the following volume of production and service in arts and crafts (in thousand million dinars):

	Basic index		
	1956	1961	1961:1956
Total arts and crafts	176	252	143
Socialist sector	95	153	162
Individual sector	81	99	122

Likewise the Plan provides for somewhat increased investments in the social sector of arts and crafts, as witness the following sums (in thousand million dinars):

	Annual averages			
	1956	1961	1952-56	1957-61
Total arts and crafts	7.1	9.2	5.1	8.3
Socialist sector	3.9	6.0	2.8	5.0
Individual sector	3.2	3.2	2.3	3.3

The data concerning the fulfilment of the Plan in the social sector reveal that, in 1957 particularly, the value of the output of arts and crafts had gone up 21.4 per cent over 1956, which constitutes an auspicious start on the carrying out of the mentioned schedule, which provides for an annual increase of 7.4 per cent. Although no definitive figures are available for 1958, for that year, too, similar results may be expected as regards the growth of the production and services of the Yugoslav craft economy. The data appearing in the Economic Plan for 1959 reveal the following movement of craft production and services (gross product) compared to industry and the whole economy (in thousand million dinars, at current prices: including also the value of flour and sugar), viz.,

	Fulfillment 1957	Percent	Estimate 1958	Percent	Plan 1959	Percent
Total economy	4,123.9	100.0	4,399.8	100.0	4,939.7	100.0
Manufacturing	2,070.0	50.2	2,342.0	53.3	2,617.0	53.0
Arts and crafts	205.9	5.0	231.9	5.3	249.9	5.1
Of which:						
Socialist sector	124.4		145.6		160.1	
Individual sector	81.5		86.3		89.8	

It is significant that in the gross product of crafts realized the social sector's participation has grown from the 60.4 per cent in 1957 to 62.8 per cent in 1958, the proportion of participation in 1959 under the Plan being 64 per cent.

As in the case of the gross product, the amount of participation of arts and crafts in the national income of Yugoslavia reflects the place occupied by them in the country's largely representing the result of investment of social resources in the promotion of this economic branch.

The data from the Economic Plan for 1959 show the following movement in that respect (in thousand million dinars):

	Gross investment			National income		
	Fulfillment 1957	Estimate 1958	Planned 1959	Fulfillment 1957	Estimate 1958	Planned 1959
Arts and crafts	5.0	6.0	6.0	91.0	99.9	106.4
Industry	161.2	206.0	204.0	708.0	782.0	866.0
Total economy	354.9	441.0	446.0	1,742.0	1,749.7	1,954.6

	Index of national income			
	1957	1958	1959	1961
Arts and crafts	118.3	129.7	138.2	141.6
Industry	114.7	126.7	140.4	165.7
Total economy	122.9	123.5	137.9	154.1

The participation of arts and crafts in national income averages 5.5 per cent, and of industry 43.3 per cent, according to the first tabulation. And the indices of national income reveal an increase of national income in the case of industry and the economy integrally considerably higher than in the case of arts and crafts at the end of the Five Year Plan. This is explained right away by the above data on gross investments in which the share of arts and crafts is only 1.4 per cent, and of industry 45 per cent, which definitely indicates an insufficient investment in arts and crafts even from the resources of the accumulation created within them. The composition of the investments made in arts and crafts (social) reveals that 60 per cent of the relevant resources comes from the own funds of the enterprises, and 4 per cent from local social investment funds.⁶ The same composition is also scheduled under the Plan for 1959. Of the 6,000 million dinars due for investment, 2,500 millions should come from local investment funds, 2,000 millions from own investment resources of enterprises, and 1,500 millions from the amortization funds of enterprises.

The resources invested in the basic assets of arts and crafts during the period January-November, 1958 have been 21 per cent higher than during the corresponding period of 1957, having almost reached the investment figure for the whole of 1957 (5,200 millions for the first eleven months of 1958, as against 5,400 millions for the whole of 1957).⁷ As a result, 98.1 per cent of the annual average investment in arts and crafts as per the Plan had been realized. This average equals 5,300 millions by including also the 1,000 millions of annual investments in contractor crafts which sum appears under the "Construction" heading of the Plan and whose expenditure is mainly recorded under arts and crafts. The over-all investment in basic assets in arts and crafts of the social sector for one year and eleven months totals 10,400 million dinars, or 39.2 per cent of the aggregate investment scheduled for the five-year period (21,500 millions plus 5,000 millions for contractor crafts) by the end of 1961.

6 Report of the Federation of Chambers of Arts and Crafts of Yugoslavia, 1957, p. 21.

7 Report of the Federation of Chambers of Arts and Crafts of Yugoslavia, 1957, p. 61.

Concurrently with the described problem of the material consolidation of arts and crafts, there is also the problem of an insufficient influx of labour into this branch. In view of a constant decrease of the number of apprentices in arts and crafts (by an average 3 per cent annually, or about 4,000 apprentices during the last three years),⁸ the number of skilled personnel scheduled for arts and crafts by the Social Plan of Economic Development of Yugoslavia 1957-61 (including a 51 per cent increase of the workers in social crafts, and 69 per cent in the number of apprentices) is not expected to be reached.

According to the Plan, the number of employed in arts and crafts should show the following movement:

	Index			
	1959			
	1957	1958	1959	1958
Total	336,560	361,620	377,560	104.4
Social crafts	152,736	174,120	186,310	107.0
Individual crafts	182,824	187,500	191,250	102.0

Here, the number of employed in individually owned craft establishments includes all the persons engaged in craft work, regardless of the legal status, i. e., whether it is a question of a licensed craft establishment or not. As a result, that number is considerably higher here (by about 30,000) than shown by the data of the chambers of arts and crafts. Considering the above downward trend in the number of apprentices, it does not appear that the Plan's schedule concerning employment in arts and crafts will be possible of fulfilment.

The insufficient influx of personnel into arts and crafts is the outcome of insufficient resources and facilities for the accommodation and schooling of apprentices. Latterly comprehensive measures have been undertaken by the appropriate authorities and institutions for the elimination of these difficulties.

The material strengthening of arts and crafts and the raising of new craft personnel is the task of the People's Committees of Communes in the first place. This is expressly established by the Economic Plan for 1959, which directs the policy of the communes toward investment for enlargement of the network of establishment of service crafts by opening new modern establishments of the kind, then toward modernization of the existing establishments of social crafts, no-

tably in the branch of contractor crafts and those establishments of service crafts which should contribute to market stabilization and the raising of the standard of living. Further, the Plan stresses that — for purposes of satisfying the demand for skilled labour — it is necessary, beside normal schooling, to encourage a larger-scale training of artisans through initiation in contractor crafts particularly.

With the object of giving a stronger impetus to the development of the social network of craft establishments and services and service crafts in general, as well as of assisting the activity of the People's Committees in that direction, economic instruments, that is, the Federal economic prescripts for 1959, have been amended in relation to arts and crafts, so that this year certain categories of service crafts, and also of producing crafts of moment to the standard of living, will not only be subject to lighter taxation, but will have a considerable part of the tax from 1958 refunded to them toward augmenting their own resources or the funds for the expansion and modernization of establishments. The People's Committees of Communes will obtain an even larger portion of these resources which have been relinquished by the Federation for purposes of founding new service craft establishments and reconstructing the existing ones. In addition, in 1959 somewhat more substantial sums of foreign exchange will be granted to arts and crafts for the purchase of equipment and reproduction materials, so that from this point of view, too, assistance will be given to the efforts for mitigation of the stated disparities in arts and crafts.

Therefore, the initial material possibilities have been provided for social crafts to make a strong stride forward, orientating themselves toward the creation of a dense network of service-craft establishments and craft service. There is no doubt that the social community, too, will be extending a larger material assistance than before to help these efforts along.

As for the individual sector of arts and crafts (privately owned establishments), it „should correspond to the concrete social needs and conditions in so far as it relates to the right of private artisans to produce and furnish services with their personal labour. However, in private arts and crafts there is still exploitation of another's labour going on. In this connection, it is necessary that the remnants of this hire relationship gradually be eliminated from our social relations, promoting parallelly the material forces of social crafts and establishing various forms of co-operation with the private sector, utilizing its installations, experience and skilled knowledge in the process.”⁹

Official Statements

Yugoslav Attitude on:

The official spokesman of the State Secretariat for Foreign Affairs held news conferences with the representatives of the Yugoslav and foreign press on January 24 and 30, at which he stated the Yugoslav attitude on the problems brought up on these occasions.

JANUARY 24

TRIAL OF EX-MEMBERS OF VENETIAN PARTISAN GROUP („BENESKA ČETA“). — „This trial has aroused the deep resentment of the Yugoslav public and deserves to be most severely condemned by all who have fought against nazism and fascism. In the interests of good neighbourly relations

wirth Italy, our people themselves victims of aggression, magnanimously passed over the many crimes committed by the fascist occupying troops. It is monstrous that those who fought for the common allied cause, and hence for the freedom of the Italian people, should now be tried in court. The Yugoslav government has warned the Italian government on several occa-

⁸ Report of the Federation of Chambers of Arts and Crafts of Yugoslavia, 1957, p. 61.

⁹ Conclusions of the Annual Meeting of the Federation of Chambers of Arts and Crafts of Yugoslavia, 1958.

sions of the possible grave consequences of this trial, for which the Italian government cannot divest itself of responsibility", stated the Foreign Secretariat spokesman.

PROBLEM OF BI-LINGUAL INSTRUCTION IN SCHOOLS. — Asked whether he had any comment to make in connection with the assignment of a special commission of the Austrian Ministry of Education to a tour of school inspection in Southern Carinthia, the official spokesman answered: "We would not wish to comment the work of a commission appointed to supervise the implementation of the ruling of September 22, 1958, which created the present serious situation".

THE GENEVA CONFERENCE ON THE ABOLISHMENT OF NUCLEAR EXPERIMENTS. — "We sincerely hope the justified demand of world public opinion that the atomic powers should reach an agreement on the cessation of nuclear experiments as soon as possible will be fulfilled.

SOVIET PROPOSALS FOR SETTLEMENT OF GERMAN PROBLEM. — It is to be hoped that West Germany will also abandon her present attitude, which cannot provide a basis for the devising of a satisfactory solution".

JANUARY 30

ELEVENTH CONGRESS OF SOVIET COMMUNIST PARTY. — We are following the course of the Eleventh Congress of the Soviet Communist Party with attention and interest. The Yugoslav press has already adopted its attitude towards that part of Khrushchev's report which refers to Yugoslavia. After the end of the Congress we shall be in a position to judge it as a whole". Speaking of the section of Khrushchev's report dealing with foreign policy, the Foreign Secretariat spokesman declared: "We are now studying the report. We have noted the novel proposal to create a nuclear-free zone in the Far East and on the Pacific area. As we endorse general disarmament we consider that the creation of such a zone in the Far Eastern and Pacific region would be an important step towards universal disarmament".

COOPERATION OF SOVIET UNION AND YUGOSLAVIA ON FOREIGN POLICY. — "We consider Khrushchev's statement that the Soviet Union will strive to cooperate with Yugoslavia on all problems of the struggle for peace and against imperialism, on which our attitudes are identical, entirely positive. But it seems illogical in our opinion to speak of the possibility of cooperating in so vast and significant a sphere, while at the same time denouncing the foreign and home policy of the country with which cooperation is intended". Asked whether he had anything to say in connection with Khrushchev's statement that the essence of disagreement consisted in the fact that the Yugoslav communists were striving "to convince all and sundry that there exist two blocs, two military camps in the world", the official spokesman replied: "It is true that we are speaking of the actual existence of two blocs and of the negative effects of bloc policy. We also affirm, however, that socialism cannot be identified with a camp. On the contrary, those who do so, actually reduce the concept of a camp theoretically and practically to a military term".

CHINESE "HANDBOOK OF CURRENT EVENTS". — "It seems that although China attended the Bandung Conference it is irked today by the policy of coexistence pursued in accordance with the spirit of the conclusions reached there. It is obviously impossible to interpret the writings of this paper otherwise, because we do not know of anybody else in Asia who would interpret the policy of coexistence and Bandung principles in the same way as it does. Consequently we cannot consider this attack on the Bandung principles", stated the official spokesman, "when asked whether he has anything to say in connection with the writings of the Chinese "Hand-

book of Current Events", where it is alleged in an article that "the Yugoslav policy of active coexistence is essentially nothing other than an anti-Soviet and anti-communist policy, whose prime objective consists in sabotaging peace and the solidarity of the progressive forces throughout the world". It is stated in the same article that this policy "is opposing and sabotaging the national liberation movements" and that it wishes to "induce the governments and political parties of certain Afro-Asian countries to embark on the pro-imperialist, pro-American, anti-Soviet and anti-communist road".

Documents

Communique on the Talks between President Tito and Premier Nehru

DURING the short visit of President Tito to New Delhi Mr. Nehru, the Prime Minister of India, took the opportunity of discussing with him many questions of mutual interest.

On these occasions the two statesmen talked for several hours about current international problems in Europe and Asia. President Tito gave a brief review of the impressions he had received in the countries he had recently visited.

This exchange of views was held in an atmosphere of complete frankness and sincere cordiality. Both statesmen expressed their readiness to continue to do everything possible to preserve peace and to solve international problems by peaceful means and by discussion, according to the principles of coexistence and the policy of disengagement from blocs.

The President and the Premier expressed the hope that the current talks in Geneva on the cessation of nuclear tests would soon bear fruit.

Both the President and the Premier rejoiced that relations between Yugoslavia and India were constantly improving in all fields and declared themselves confident that this tendency would be maintained and even further strengthened.

Mr. Nehru expressed his gratitude and pleasure in the visit of President Tito to India, and President Tito heartily thanked the Government and the people of India for the cordial welcome given to him.

Communique on the Talks between President Tito and Premier Bandaranaike

THE following joint announcement was signed in Colombo on January 25 by the President of the Federal People's Republic of Yugoslavia Josip Broz Tito and the Prime Minister of Ceylon Solomon Bandaranaike:

On the invitation of the Government of Ceylon, the President of the Federal People's Republic of Yugoslavia Josip Broz Tito, with his wife, paid a state visit to Ceylon from January 21 to 26, 1959.

On the occasion of this visit President Tito was accompanied by the Chairman of the People's Assembly of the People's Republic of Montenegro, Blažo Jovanović; the De-

puty of the Federal People's Assembly, Ivan Maček; the member of the Federal Executive Council, Slobodan Penzić; the State Undersecretary for Foreign Affairs Veljko Mićunović; and the Secretary General to the President of the Republic Leo Mateš.

During their stay on Ceylon President Tito and his associates visited different spots of historical, cultural and scenic interest in Colombo, Kandy and Noreliya and came into direct contact with the representatives of the state, political and public life of Ceylon, as well as with a large number of citizens. President Tito expressed his gratitude for the cordial hospitality and reception accorded him by the Governor General, the Government and the people of Ceylon.

In the course of the visit conversations were held between President Tito and Prime Minister S.W.R.D. Bandaranaike on current international problems concerning the two countries and on bilateral relations between Yugoslavia and Ceylon.

The conversations took place in an atmosphere of cordiality, understanding and mutual respect. The exchange of opinions on international problems has been successful and useful, and agreement was reached about the need of intensifying co-operation between the two countries, notably in the economic and cultural fields.

I.

IN the sphere of international relations, the President of the Republic and the Prime Minister have reached full agreement on the urgent and indispensable need to make every possible effort toward an easing of the tension existing between nations. They note that in the present phase of human civilization there occur in the world many differences of a political, economic, national, social and other character. At the same time they are perfectly conscious of the fact that the progress, and even survival, of mankind demands that these differences be overcome and that international agreement be reached on the basis of understanding, co-operation and friendship.

They maintain that the policy of overcoming the antagonisms between the blocs of states today and of non-accession to such blocs, the policy of peaceful co-existence which is pursued by a certain number of countries, including Yugoslavia and Ceylon, has already made, and will be making in the future also, a positive contribution to the attainment of this goal.

While warmly endorsing the efforts made in the political and diplomatic field to achieve a discontinuation of nuclear tests and general disarmament, the President of the Republic and the Prime Minister wish to stress the imperative need of eliminating the barriers obstructing a full and unhindered economic co-operation between states, regardless of their ideological and other differences.

They accept and reaffirm their allegiance to the principle of self-determination of peoples. Firmly convinced that the termination of colonialism will help to safeguard international peace and security, they extend their support to all peoples seeking to realize national freedom, independence from colonial rule and an equal status in international relations.

These principles are embodied in the United Nations Charter and the Bandung Resolutions, whose full value they consistently uphold.

The President of the Republic and the Prime Minister reaffirm their devotion to the principles and aims of the United Nations Organization, in which their countries are developing a fruitful co-operation. They consider that past experience indicates that, notwithstanding the many difficulties in its work, that world Organization is the most suitable forum for examination of international problems and the achievement of solutions by agreement. This function of the United Nations has been intensified by the admission of a larger number of independent states, particularly from the areas of

Asia and Africa. They firmly maintain that, for a more efficacious and more successful operation of the United Nations it is necessary to incorporate into that Organization all the peoples which are not yet represented in it.

II.

IN their conversations, the President of the Republic and the Prime Minister have paid special attention to the Yugoslav-Ceylon relations and the measures for the further promotion and development of these relations. They have noted with pleasure that, especially now when diplomatic relations have been established, there are large possibilities for realization of a fruitful co-operation in all domains of the bilateral relations, to which President Tito's present visit to Ceylon will also be contributive. They have agreed about the need to strengthen diplomatic relations between the two countries and to raise the level of their diplomatic missions to embassy rank.

They have expressed the readiness of their countries to further and expand various forms of co-operation in the economic, technical, scientific and cultural fields and make efforts toward increasing the mutual trade exchanges, for which favourable possibilities exist on both sides. On the invitation of the President of the Republic, an apposite delegation of Ceylon on governmental level will soon visit Yugoslavia for the purpose.

President Tito has invited Prime Minister Bandaranaike to visit Yugoslavia. The invitation has been accepted.

Yugoslav Fairs

Large Interest for the Forthcoming Novi Sad Fair

THE Novi Sad Fair has been scoring such successes with its sessions in recent years that today it vies with many fairs of the kind in the world, as witness the following eloquent figures. The 1957 session had attracted 2,071 exhibitors, including 274 from 17 foreign countries; the deals concluded during the session ran to over 45,000 million dinars; and there were over 300,000 visitors. The fact that the Fair is developing rapidly and that a large amount of construction work has been carried out during the past year for expansion and improvement of the exhibition space peak for the success of the coming Fair as well.

The interest evidenced for the forthcoming session, as testified by the entries received over the last few months particularly, suggests that it will greatly surpass all its predecessors in scope and quality. Some 2,000 domestic and 800 foreign exhibitors from 20 countries are expected to participate. Among others, domestic exhibitors will include 8 chemical factories, 42 metal manufacturers, and 72 food factories. As heretofore, agricultural producers will appear collectively, by way of their Republican Business Unions, 600 displaying the products of field crops and 700 livestock and animal products. Foreign exhibitors will include 14 chemical manufacturers, 83 manufacturers of farm machinery and equipment, 27 manufacturers of dairy, wine-making and other equipment, then there will be a considerable number of exhibitors of livestock from 8 countries, and so on. Exhibitors are likely to come also from some countries which were not represented before (Israel, India and Belgium), in which connection negotiations are in progress. The Soviet Union, which has not been represented for several years, is also likely to

participate, and on a considerably larger scale. However, beside the number of exhibitors and countries which will be represented at the next Novi Sad Fair, an additional feature will be a series of new items which are due for display.

The large interest existing for the coming Novi Sad Fair is further evidenced in that now already 60,000 square metres of open space and 4,000 square metres of closed space has already been booked by exhibitors of manufactured goods alone. Besides, agricultural exhibitors are expected to engage a large amount of closed space in the industrial section of the Fair, while the whole available space in the livestock section is also expected to be booked. Considering such a large interest and response on the part of exhibitors, a record attendance of visitors is also expected this year. And, needless to say, the remarkably rich assortments of products and the large number of exhibitors should make for a correspondingly gratifying business turnover.

First International Exhibition of Electrothermics Stated for Beograd

THE First International Exhibition of Electrothermics is to be held in Beograd within the Local Third International Technical Fair, from August 23 to September 2. This follows the decision made by the International Federation of Electrothermics at its last year's meeting, on the proposal of the Yugoslav Committee on Electrothermics and Electrochemistry. Beside this Yugoslav Committee, the same Federation affiliates similar national committees from Austria, Belgium, Great Britain, Western Germany, Italy, Japan, Poland, France, Holland, Switzerland and Sweden.

Application of electrothermics has penetrated into practically all branches of manufacturing, over and above chemical manufacture and metallurgy, making for superior quality products and a more efficient production. Viewed as separate domain electrothermics today account for the largest consumption of electric power.

Today already, although this country has only just started on this road, Yugoslav industry is utilizing for electrothermic processes over 22 per cent of the total electricity generated. Combined with the power consumed for household thermic needs, the over-all consumption of electricity for thermic purpose is seen to exceed 30 per cent of the total generated.

At this Exhibition Yugoslav industries will be able to acquaint themselves with nearly all electrothermic appliances and processes which are applied in industrially developed countries. Hence, the event will also have real commercial potentialities.

Concurrently with the Exhibition, a symposium on electrothermics will also be held in Beograd in which both domestic specialists and prominent specialists from many foreign countries will participate. Films dealing with the latest electrothermic processes will be shown at the Fair for the benefit of technicians and industrial representatives by the firms exhibiting.

Negotiations and Agreements

CONVENTION ON BUS TRANSPORT SIGNED. — A conference of Yugoslav and Italian experts to study various problems pertaining to bus transport service between the two countries, held in Venice on February 17, ended with the signing of an agreement on bus transport.

YUGOSLAV TRADE DELEGATION LEAVES FOR JAPAN. — A Yugoslav trade delegation, headed by Mihailo Švabić,

Vice-President of the Executive Council of Serbia, left for Japan on January 22, 1959. The delegation will hold talks on the purchase of phosphates and textile machinery, paper-making machines and other industrial equipment in Japan, and the export of various Yugoslav goods to that country.

YUGOSLAVIA AND BULGARIA SIGN CULTURAL CO-OPERATION PROGRAMME. — A cultural cooperation programme between Yugoslavia and Bulgaria was signed in Belgrade on January 26. This document, which calls for the expansion of cultural exchanges this year, was signed by Miša Nikolov, Bulgarian Ambassador to Belgrade, and Dušan Popović, Secretary of the Commission for Foreign Cultural Relations.

TALKS ON PROPERTY OF YUGOSLAV AND GREEK CITIZENS. — A Yugoslav-Greek expert group convened in Salonika on January 26 in order to deliberate on various problems concerning the property of Greek citizens in Yugoslavia and vice versa. This group forms part of the Mixed Greek-Yugoslav Commission which has already been working for some time in Belgrade on the settlement of outstanding problems between the two countries.

YUGOSLAV-SOVIET TRADE PROTOCOL SIGNED. — A regular Trade Protocol for 1959 between Yugoslavia and the Soviet Union was signed in Moscow on January 28. The Protocol calls for about 108 million dollars worth of trade both ways. This instrument was signed by Miloš Lalović, Minister Plenipotentiary in the State Secretariat for Foreign Affairs and Pavel Nikolaevič, Kumikin Deputy Minister of Foreign trade of the USSR.

Meetings and Talks

YUGOSLAV TRADE UNION REPRESENTATIVE VISITS LATIN AMERICA. — Stane Kavčić, member of the presidium of the Central Council of Yugoslav Trade Unions, left for Santiago de Chile on January 20. Kavčić will represent the Yugoslav Trade Unions at the Congress of the Chilean Youth Unions from January 23 to 25, and at the Congress of the Central Chilean Workers Union, which is scheduled for the middle of February. After leaving Chile Kavčić will visit several other trade union organizations in the countries of Latin America.

YUGOSLAV EXPERTS VISIT POLAND. — A delegation of Yugoslav specialists on protection from radiation, headed by Rade Bulat, member of the Federal Nuclear Energy Commission, has left for Warsaw at the invitation of the Polish Government Authority for Nuclear Energy Problems. The delegation consists of distinguished physicians and officials dealing with these problems. During their two-week sojourn in Poland the members of the Yugoslav delegation will hold talks with the Polish experts, within the framework of the regular annual plan of cooperation in the field of protection from radiation.

YUGOSLAV REPRESENTATIVE ATTENDS FRENCH TRADE UNION CONGRESS. — Marjan Vivoda, President of the Yugoslav Civil Servants Union, attended the Congress of the General Confederation of French Civil Servants on behalf of the Yugoslav Trade Unions. The Congress was held in Paris on January 29 and 30.

YUGOSLAV-FINNISH CULTURAL COOPERATION. — Krste Cervenkovski, Secretary for Educational and Cultural Affairs of the Federal Executive Council, and Otsoa Vartiowaru, Finnish Ambassador Extraordinary and Plenipotentiary in Belgrade, held talks on cultural exchanges between the two

countries, on January 26. It was agreed on this occasion to open an exhibition of Finnish architecture in Belgrade.

SUDJARNO TJONDRONEGORO IN BELGRADE. — Sudjarno Tjondronegoro, Director of the European Department of the Indonesian Ministry of Foreign Affairs, has arrived in Belgrade as guest of Joze Brilej, Assistant Secretary for Foreign Affairs. Mr. Tjondronegoro will have talks in Belgrade with distinguished members of the government, and has already visited Koča Popović, Foreign Secretary, and Srdja Prica, Under-Secretary of State for Foreign Affairs.

Political Diary

January 17 — A consultation on the activities of urban municipalities, attended by representatives from Belgrade, Zagreb, Sarajevo, Skopje, Ljubljana, Subotica and Rijeka, was concluded in Ljubljana. It was decided that the autonomy of municipalities in big cities should be strengthened still further. Vlado Popović and Boris Krajger spoke at this meeting.

January 25 — The Federal Executive Council promulgated a Decree on the implementation of the nationalisation of buildings for rent and building plots, thus regulating in greater detail the provisions of the Law on Nationalization introduced at the session of the Federal People's Assembly of December 26. The Decree lays down the tasks of the commissions for nationalisation, legality is assured, the right to exemption from nationalisation is confirmed, and the indemnity and terms of repayment for nationalised property set.

January 28 — The Federal Executive Council met, with Vice-President Alexander Ranković in the chair. Several legal prescriptions in the field of welfare policy, finance, internal trade and the remuneration of civil servants were examined and approved at this session. Koča Popović, State Secretary of State, informed the Federal Executive Council of some foreign political problems. The Federal Executive Council approved the draft law on the extension of financial assistance and health service to families whose breadwinners are drafted into the Yugoslav People's Army. The draft law proclaiming as a national holiday April 20th, the date of the 40th anniversary of the Yugoslav Communist Party, was also approved. It was likewise decided to open a six billion dinar credit from Federal Funds for the construction of grain silos. Special functional allowances were introduced in some institutions. The composition of certain committees and commissions of the Federal Executive Council was altered. Vladimir Popović was appointed Chairman of the Commission for Administrative Affairs.

Diplomatic Diary

January 21 — Edvard Kardelj, Vice-President of the Federal Executive Council received a farewell visit from the Swiss Ambassador to Yugoslavia, Jean Frederic Wagniere, who is soon leaving Yugoslavia for a new assignment.

January 26 — The Yugoslav Foreign Secretary presented Baron von Ittersum with the Order of the Yugoslav Flag (I Class), which was conferred on him by the President of the Republic.

Our New Contributors

MARIJAN BARIŠIĆ, Yugoslav Ambassador to Ethiopia. After the liberation held various political posts. First assistant minister and subsequently permanent Yugoslav delegate to the United Nations in 1952 and 1953; was subsequently appointed Ambassador to Belgium, and remained at this post until 1956, when he took up his present assignment.

ŽIVOJIN SIMIĆ, jurist, Yugoslav Envoy to the Sudan. Joined the Foreign Service in 1959. Previously held various political posts.

DJORDJE LADJEVIĆ, Chief of International Finance Section in the Institute for International Policy and Economics. Publicist and author of a number of distinguished articles and studies concerning international finance.

BRANKO JAPUNDŽIĆ, economist, Secretary of the Federation of Yugoslav Crafts Chambers. From 1947–1958 he acted as economic counsellor to several Yugoslav trade and diplomatic missions abroad. From 1953 to 1958 he held the post of Charge d'Affaires of the Yugoslav Legation in Karachi.

SIMA BEGOVIĆ, publicist, commentator of Radio Belgrade. He was editor of „Narodni student“, as well as the special correspondent of Radio Belgrade from the Berlin and Geneva conferences.

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